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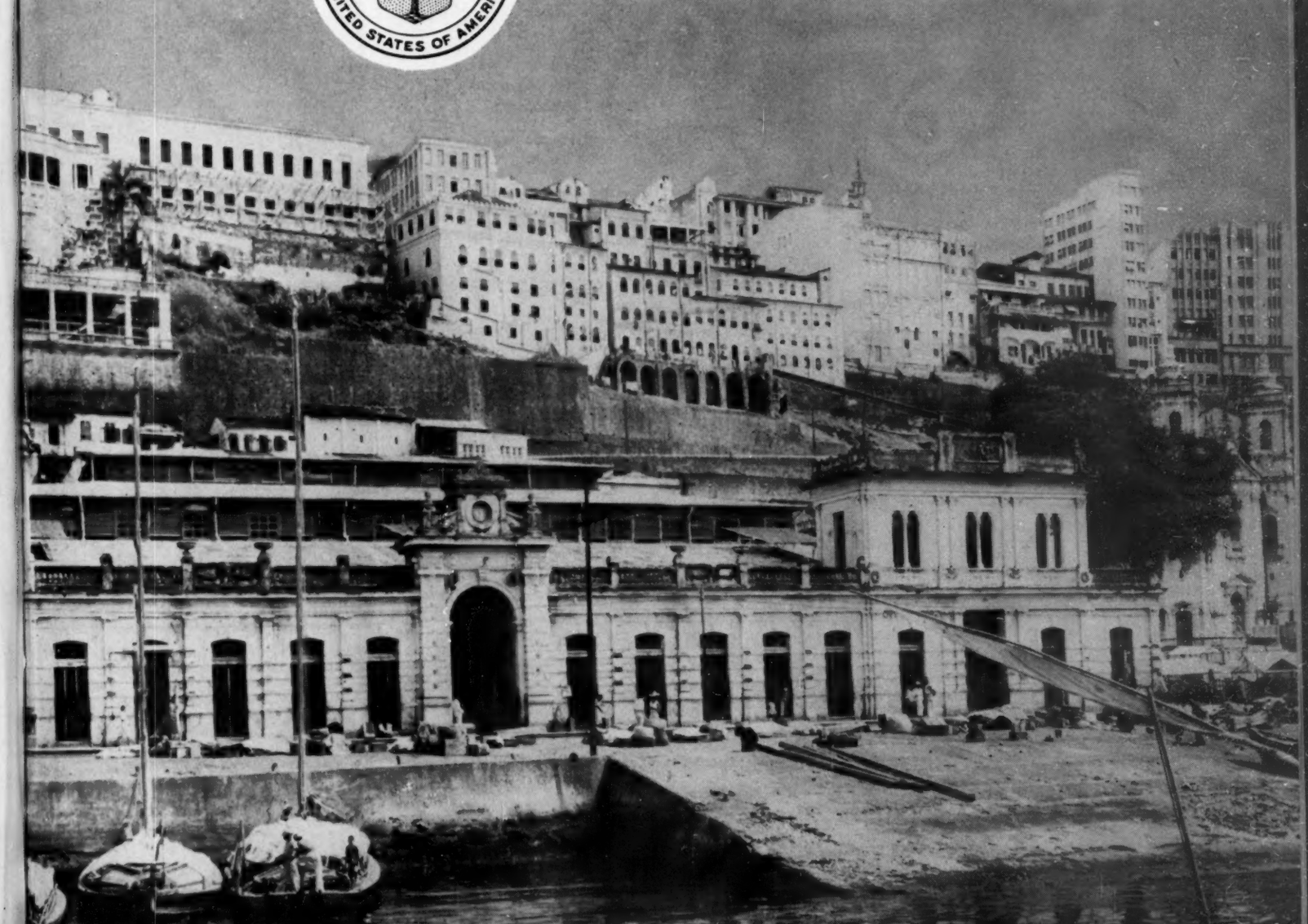

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Foreign Commerce Weekly

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Bankers' Role in Foreign Commerce

By Warren Lee Pierson, *President, Export-Import Bank of Washington* [1]

WHEN ONE STOPS TO THINK of the problems which have been faced and surmounted by the foreign-trade fraternity since 1934, one cannot help but be impressed with the fortitude and stubborn optimism of this segment of our businessmen.

I wish to express publicly the appreciation which all members of the Export-Import Bank staff feel for the cordial assistance we have received from export and import interests since the day the bank was formed.

During the past 10 years the Export-Import Bank has had occasion to handle just about every type of export and import transaction. These have ranged from the importation of frozen Hungarian pheasants to the construction of mammoth hydroelectric plants in distant lands. With this background, when we are asked about our particular plans for meeting post-war conditions, we simply say that we expect to continue in the future as we have in the past. In other words, the Export-Import Bank is prepared as an organization to extend such assistance as changing conditions may require. The volume of any future financing we may do will, of course, depend entirely upon the decisions to be made by the Congress.

"Know-How" Is Utterly Vital

The emphasis placed upon a stepped-up foreign trade, in practically all present-day thinking on ways and means for solving our future economic problems, indicates clearly a growing interest in international business. To *harness this interest* and *direct it intelligently* is a job the banker can do best.

We hear the phrase "know-how" used many times these days. Perhaps in no field is it so important as in business transactions between countries. While there is nothing mysterious about the export and import trade, it is nevertheless true that the right way of conducting it will produce profits and good will whereas mistakes will result in losses and ruffled feelings.

It is my feeling that banks would serve a useful purpose if they stated frankly to their customers that *foreign trade should only be conducted by those actually interested.* If a concern regards its export transactions as of little importance, it should either not undertake them at all or should provide for their handling by some experienced export agency. This will minimize losses at home and will contribute to better foreign-trade relations.

Decisions by "Top Men"

Frequently during the past several years we in the Export-Import Bank have seen important deals successfully negotiated abroad by junior officers of United States firms and then learned that the directors or senior officials turned "thumbs down." This is always an unfortunate situation and hurts not only the company directly involved but the prestige of all American businessmen. My suggestion is that bankers should advise their customers to reach basic policy decisions at home before sending representatives abroad.

In the past it has seldom been convenient for the top men personally to visit their foreign customers. With improved airplane service in prospect, this will no longer be true. I recommend, therefore, that companies—also banks—encourage their senior men to travel in order to get first-hand impressions of the countries and the people with whom they are dealing. I feel certain that a lot of good business which has been rejected or accepted with reluctance in the past would have had clear sailing if those having the final word had had a better understanding of all the facts.

How Much Government Help?

Finally, just a word about future credits. I think it is unrealistic—and also unwise—to expect the United States

(Continud on p. 49)

[1] This article is based on Mr. Pierson's recent address at a session of the National Foreign Trade Convention in New York City.

C. I. A. A. photo

At Brazil's Volta Redonda Steel Plant. Substantial credits for the furtherance of this important enterprise have been made available by the Export-Import Bank of Washington.

Britain's Shoe Industry Looks Ahead to V-E Day

By CHARLOTTE R. BUDD, *Leather Unit, Bureau of Foreign and Domestic Commerce*

FIVE YEARS of wartime restrictions and material shortages, during which Great Britain's shoe industry has passed through five different phases of control, have left British leather footwear devoid of frills and definitely utilitarian in character. Will the pendulum swing sharply in the direction of fashion and fantasy when the war-weary industry enters its sixth phase—reconversion to peacetime operations?

Various Control Measures

Directly after the outbreak of European hostilities the Raw Materials Control was put into force, severely restricting for military purposes one of the footwear industry's two main materials—leather (the other, of course, being rubber). Upon Japan's entry into the war the use of crepe for soles and heels was banned, and shortly afterward restrictions on composition rubber soles and heels in general went into effect.

Quotas in terms of value were established when the Limitation of Supplies order became effective on June 6, 1940. With certain exceptions, registered suppliers could not exceed these quotas for home trade.

The Concentration of Industry order was announced in March 1941, to become effective in the boot and shoe industry a month later. Under this plan which was primarily to save factory space and manpower, certain plants were designated as nucleus firms and continued in operation, whereas others were compelled to close. The industry was permitted to turn out only a certain percentage of the footwear manufactured in 1940.

Consumer Rationing, affecting apparel and footwear, was introduced in Great Britain in June 1941, making ration coupons necessary for the purchase of such articles. One pair of shoes required approximately 10 percent of a customer's entire annual clothes allowance, which was originally 60 points.

Necessity for simplifying production and distribution, and eliminating waste of time and materials, brought about the natural evolution of the "Utility" shoe, which made its appearance in 1942. The variety of patterns and sizes had been drastically curtailed, however, long before Utility footwear made its official debut.

What Control Has Meant

In 1935 civilian shoe production amounted to about 131,500,000 pairs. Army boot requirements in the pre-war years came to less than 250,000 pairs annually. After the outbreak of the war it was necessary to turn out more than that number *each week* for military use. Civilian output was cut in 1942 to an estimated production of only 96,500,000 pairs.

A serious problem was created by the order prohibiting manufacture of soles and heels of crepe or any other vulcanized rubber, because many firms had installed special plants for making crepe-soled shoes. Owing chiefly to the sole-leather shortage, about 30 percent of the women's and 50 percent of the children's footwear manufactured in Leicester had crepe soles at the time the order became effective. The situation in Rosendale, Norwich, and several other manufacturing areas was even more serious. Inventories of crepe were not large when the order was introduced.

Great Britain's footwear industry also has had to cope with packing difficulties arising from a severe curtailment of cardboard boxes and paper bags. Some few manufacturers are reported to have packed women's shoes in old silk stockings, each stocking holding one pair of shoes. When boxes were used it was understood that each box must serve for at least three journeys from the place of origin.

Concentration of the shoe industry early in the war made available to the British Government 4,000,000 square feet of badly needed factory floor space and released for war work 14,800 persons. But it also threatened to disrupt the highly individualistic lines on which Britain's shoe industry is organized. Complete standardization did not result from such concentration, however, since successful efforts were made in most cases to retain brand identity. Government specifications giving minimum working particulars and minimum requirements regarding fabrics, threads, fiber insoles, boards and stiffeners, and toe puffs allowed shoe manufacturers sufficient leeway to incorporate variation in design without wasting hard-to-get labor and materials.

The consumer-rationing order limited effective demand for footwear and other apparel to about 50 percent of the pre-war figure, per capita consumption of shoes in the United Kingdom now being one pair a year rather than the former two pairs.

Great Britain's shoe manufacturers have always worked closely with the retailers. According to the first census of retail shoe distribution ever conducted by the British Board of Trade, there were during 1942, 33,950 retail shoe outlets in Great Britain, of which 11,950, or 35 percent, handled footwear exclusively. Fifteen percent of Britain's shoe stores, or 1,275 shops, were concentrated in London.

Only 10 percent of the large shoe stores in that year had total sales amounting to more than £12,000 ($48,550 in U. S. currency). Shops in the medium class of £2,550 (U. S. $10,000) to £12,000 (U. S. $48,500) represented 55 percent of the total. The smallest class—those having sales under £2,500 (U. S. $10,000) a year—comprised 35 percent of all shoe stores.

When the war began, in 1939, most dealers tried to buy utilitarian type shoes, as they were under the impression that practically everyone would want "sensible" footwear. Although manufacturers sold these shoes in large volume, the public was not ready for them, and most dealers had to get rid of them at reduced prices.

Gradually, however, simplification became a necessity. Introduction of wooden-soled shoes, nation-wide compulsory use of wooden heels for women's shoes, elimination of open-toe and open-heel styles, and limitation of ornamentation and decoration were some of the first steps taken to conserve leather and labor. Sandals were forbidden for the duration, chiefly because of the large amount of manpower required to make them. By the time the decreed Utility shoe arrived on the scene in 1942 it did not differ greatly in appearance from the shoes already on the market, because of the stringent style restrictions which had been applied to civilian footwear. It is now practically impossible to determine whether a shoe is Utility or otherwise until it is examined for the "Utility" stamp.

It is said that the general run of manufacturers have to make at least 50 percent of their output in Utility models. Exempted manufacturers are few in number, consisting mostly of custom shoemakers. The great difference between Utility and non-Utility shoes is that the Utility are exempt from the normal purchase tax of 16⅔ percent on the wholesale price.

British boot and shoe exports had been steadily declining for more than a dec-

(Continued on p. 40)

Mexican Fats and Oils Meet Wartime Challenge

Based in Part on Report from the U. S. Embassy at Mexico City[1]

IN AN ALL-OUT EFFORT, Mexico's fast-growing oilseed industry supplied consumers in 1943 with 218,000,000 pounds of domestic vegetable oils, an increase of 222 percent over equivalent 1934 supplies. Domestic animal fats furnished an additional 119,000,000, combining with vegetable oil output to provide a total production of 337,000,000 pounds of fats and oils in 1943.

Mexican estimates place the 1943 consumption of fats and oils at 378,000,000 pounds—4,000,000 less than the 1942 all-time high. Current predictions point to a 1944 disappearance of 437,000,000 pounds, considerably above the 382,000,000 pounds consumed in 1942. With locally produced commodities equaling amounts available in pre-war 1940 from both foreign and domestic sources, only one important fats-and-oils shortage remains—copra, which in the years immediately preceding the occupation of the Philippines by the Japanese was imported in large quantities.

Coconut oil manufactured from these imports provided an inexpensive and satisfactory base for the expanding production of soap, margarine, and shortening. Along with palm-kernel oils and inedible tallow and grease, coconut oil imparts firmness to the products in which it is utilized. The quick-lathering properties of coconut oil further enhance its value to soapers. So far, Mexico has been able to obtain no adequate replacement.

Lard

Production and Consumption

Lard, the favorite food fat in Mexico, represents approximately 18 percent of total production of fats and oils, and more than one-fourth of all edible output. As no official records are maintained on lard, production figures are based on hog-slaughter statistics. In 1942, the peak year, approximately 64,000,000 pounds of lard were available from domestic sources. "Obradores," or "tocinerías"—establishments especially designed for meat and lard processing—produce the bulk of Mexico's lard.

Since 1940, lard, both domestic and imported, has been in larger supply than at any other time since the late twenties and early thirties. During the earlier period, however, imports provided a minimum of 44 percent of all supplies, whereas average imports in 1940-43 comprised only 24 percent of total available stocks.

Consumption of lard in 1935 totaled 51,000,000 pounds, the lowest figure recorded during the past 18 years. Since then, in response to population growth and higher incomes, lard consumption has slowly but steadily advanced, despite a recent decline in output. Wartime demand in 1944 may reach 120,000,000 pounds. Of this amount, one-half is expected to come from the United States. Until May 15, 1944, when the Foreign Economic Administration placed lard exports under general license, it was not anticipated that Mexican lard imports would exceed 30,000,000 pounds. It now appears that this figure may be doubled. Increased consumption of lard in the shortening and margarine industries, and a rising per capita use for direct edible purposes will absorb the additional supplies.

[1] The four Foreign Service representatives at Mexico City responsible for the preparation of factual material on which this article is partly based are: L. D. Mallory, Agricultural Attaché; M. G. Smith, Assistant to the Agricultural Attaché; D. M. Crawford, Vice Consul; and E. W. May, Junior Agricultural Economist. The article was cast in its present form, and additional data were supplied by Miss Geraldine Canning, of the Fats and Oils Unit, Bureau of Foreign and Domestic Commerce, Washington.

Vegetable-Oil Supplies

Called upon to meet a number of unusual wartime demands, vegetable-oil supplies are being stretched to cover a variety of uses. Important increases

Barefoot worker climbing palm tree to remove old leaf bases.

Trimming fat from slaughtered hog carcass, Mexico.

have taken place in nearly every one of Mexico's domestic oilseed crops—sesame, cottonseed, flaxseed, peanuts, and castorbeans, and, to a less extent, copra and palm kernels. "Soft" vegetable oils, such as sesame, cottonseed, and peanut, are traditionally utilized for edible purposes, either directly after refining, or in finished products, such as mayonnaise and salad dressing, margarine, and shortening. During the past 2 years, these oils have been forced to serve as "stand-ins" for Mexico's lost imports of fat. Soapers are consuming a generous share of these edible products, as are other industrial users.

Sesame Seed

Sesame seed, the long-time rival of Mexico's cottonseed, climbed from a production of 77,000,000 pounds in 1940 to 174,000,000 in 1943. The slight decline recorded in 1944 was contrary to general expectations, as both the Mexican and United States Governments had indicated special interest in this crop. As early as 1942 one-fifth of sesame-seed oil produced found its way into soap manufacture. An even greater proportion was estimated to have been used in that industry during 1943.

Cottonseed

Increasing, not because of the Government demand for larger oilseed crops, but more properly as a byproduct of Mexico's fast-developing textile industry, cottonseed maintained a 3-year production average of 365,000,000 pounds during the years 1941–43. This is in contrast to the 255,000,000-pound average for the 3 preceding years.

Flaxseed

Responding to wartime need, flaxseed acreage has been increased, and output has increased fourfold. Until 1941, production of flaxseed amounted to less than 10,000,000 pounds annually. The 1944 production is now estimated at between 22,000,000 and 24,000,000 pounds, approximately one-half the size of the 1943 crop. In 1940, the first year in which any exports were reported, shipments totaled 119,000 pounds; in 1943 exports were triple the production of any prewar year. Exports are not expected to continue at this peak, as foreign markets do not offer the high price that flaxseed commands at home. It is anticipated that flaxseed will be produced in the future almost exclusively for local consumption.

Peanuts

Peanuts are nearly as popular in the Mexican diet as they are in our own. Oil production must come from supplies remaining after the demands for salted nuts and other edible uses have been satisfied. Statistics covering direct consumption of peanuts represent only rough estimates, and, as a result, peanut-oil production data are indicative of trend, rather than absolute output. On this basis, it appears that oil manufacture has been increasing steadily over the past several years—rising from 2,000,000 pounds in 1939 to approximately 9,000,000 pounds in 1943.

Castor Beans

The Office of Economic Warfare, on behalf of Commodity Credit Corporation, sponsored increased castor-bean production in Mexico. This action was taken in an effort to furnish the United States with an alternate source of supply, should imports from Brazil prove inadequate. In March 1943, an agreement was concluded with the Mexican Minister of Agriculture which guaranteed a market for up to 168,000,000 pounds of castor beans during the 12 months beginning April 1, 1943, and for as much as 336,000,000 in the following 12 months.

Planned castor-bean expansion was handicapped in 1943–44 by several factors. A relatively low price was offered. Financial backing of the crop was not forthcoming so readily as might have been considered desirable. Machinery for carrying on large-scale farm operations was available in insufficient quantities—and none too early. Moreover, weather conditions were exceedingly bad; the crop was beset by drought, floods, and cyclones, and also was damaged by insect pests. The ensuing harvest totaled only 24,000,000 pounds.

Production of castor beans from the 1943–44 crop, although considerably below the previously expected high, is sufficient to meet all domestic needs, and to provide a possible exportable surplus of 2,200,000 pounds. There is, however, some doubt as to whether this amount will actually leave the country, in view of the relatively low price offered on the United States market.

Increased Domestic Supply

Combining the output of the principal edible vegetable oils—cottonseed, sesame, and peanut—Mexico has a prospective supply in 1944 of 175,000,000 pounds from domestic production alone, whereas in the years 1938–40 amounts of these oils available from both foreign and domestic sources averaged only 62,000,000.

In the industrial field, local production of linseed and castor oils is expected to total 19,000,000 pounds, an increase of 275 percent over supplies from all sources during 1938–40.

None of these oils, however, is designed by nature to produce a quick-lathering, hard soap of long-lasting quality; and all require considerable hydrogenation to produce a vegetable shortening solid at room temperature. Formerly, coconut oil from imported copra met the soapers' needs, and was also available after relatively little hydrogenation as a basis for shortening and margarine. Prior to the attack on Pearl Harbor, Mexican soapers stock-piled copra, with the possibility of curtailed imports in mind. These stocks are now nearing exhaustion, and domestic copra and palm-kernel production is not sufficient to fill the bill.

Some relief has been supplied by hydrogenation of peanut, cottonseed, and sesame oil; but hydrogenation facilities are limited, and, in any case, a too great diversion of soft oils into soap manufacture probably would cause a shortage in the edible field.

Native varieties of palm nuts, cohune, coquito, and corozo—which grow plentifully in Mexico—represent a possible source of additional hard fats. In actuality, harvest of the nuts has not supplemented copra supplies to any great extent. In 1943, when production was stimulated as never before, palm-kernel output did not exceed 15,000,000 pounds, yielding 8,800,000 pounds of oil. Potential production of kernels is estimated at between 44,000,000 and 55,000,000 pounds. Plantations of palms are virtually unknown; operations are carried on almost

entirely without machine aid. Little or no attempt is made to cultivate wild growths, and transportation facilities are inadequate. No doubt, production could be increased considerably if a machine capable of cracking the nuts without injuring the kernels were available. As producers are currently making a handsome profit, however, there is doubt that capital would be invested in expensive machinery even if it were available.

Tallow and Grease Production

Production of tallow and grease, important soap fats, is not likely to increase in the near future. Current expectations indicate a 1944 output equal to that of 1943—nearly 60,000,000 pounds. In 1937 the peak year during the period 1937–44, an estimated 67,000,000 pounds were produced.

As official records of tallow output are not maintained, figures are based on slaughter statistics. There is little processing done in local slaughterhouses. Carcasses generally are sold intact to butchers, who render the bulk of Mexico's tallow. Of total slaughter, about two-thirds is carried on in city slaughterhouses, with the remainder in small towns and on farms.

A recent decline in tallow output is attributed in part to decreased goat slaughter. Formerly the kill took place at an annual fiesta held on the larger haciendas. With the breaking up of the hacienda properties, goat slaughter has been carried on by individual farmers. As a result, fewer goats are killed, and less tallow is recovered.

The great rise in vegetable-oil production has relieved somewhat the very tight hard-fat situation; but it has been a "rob Peter, pay Paul" proposition. The large percentage of edible vegetable oils going into the soap kettle has deprived the margarine and shortening manufacturers of a normal share of existing supplies.

In the coquito-nut industry.

Copra and Coconut Oil

Copra production in Mexico has been more or less steadily increasing since 1935, with much more marked progress since the outbreak of war—output rising from 44,000,000 pounds in 1941 to an anticipated 70,000,000 pounds in 1944. This increase, however, cannot replace copra and coconut oil imports, which in the years 1939–41 averaged 108,000,000 pounds on an oil basis, or 96 percent of all receipts for fats and oils.

Imports of fats and oils, 1942 through (estimated) 1944, average 63,000,000 pounds, of which only 11 percent is coconut oil. In 1943, imports of all fats and oils amounted to only 41,000,000 pounds, and coconut-oil receipts were less than 12,500,000 pounds. At the present time, only small shipments from British Honduras are available.

Rising Prices

An inevitable inflationary trend has resulted. On every level Mexican oilseed buyers vied with each other, and prices rose to unprecedented highs. By 1943, many basic commodities had been pegged, and no threat of inflation was seen in the mounting oilseed prices. In fact, the general feeling that high prices were necessary to stimulate production predominated. However, a jump in oilseed prices in February and March of 1943 was followed by equivalent gains in prices of corn, beans, wheat, and other staples, and on August 2, the Mexican Government placed ceilings on vegetable oilseeds, oils, oil cake, and meal.

Recent lard shipments from the United States have caused a break in Mexican oilseed prices. As high prices were felt to be the only effective method of assuring future domestic oilseed supplies sufficient to meet local demand, an effort is being made to curb this trend without causing inflation. The Government placed restrictions on the lard imports as of July 27. At the same time, it was reported, consideration was being given to a retail floor of 18.7 cents per kilogram on lard.

Domestic Demand Increased

Increased domestic production of fats and oils has not been sufficient to meet the gap created by the decline in imports. Although production has increased by 93,000,000 pounds during the period 1941–43, and imports have de-

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In Mexico's peanut fields: Stacking vines which are left to dry.

Brazil's Chemical and Drug Industry and Trade Expand

By Aldene Barrington Leslie, *Economic Analyst, U. S. Embassy, Rio de Janeiro*

AT THE OUTBREAK of hostilities in 1939, and immediately thereafter, the chemical and other industries of Brazil were undergoing unprecedented expansion, compatible with the country's resources, internal needs, and favorable market outlook. A depreciated local currency during the 1930's and high tariff protection were direct stimulants to this trade. These domestic activities were reflected in a substantial importation of heavy chemicals for industry, greater utilization of domestic raw materials, and a curtailment of the imports of various finished chemicals and chemical specialties. At the beginning of the war, however, Brazil still remained largely dependent upon foreign sources for basic chemicals; approximately $26,700,000 worth were imported in 1939, which figures increased to $37,678,000 in 1943.

Although the impact of world-war conditions brought about numerous dislocations to the chemical industry—particularly in connection with its import requirements for basic chemicals—generally speaking, Brazilian enterprises found themselves in a favorable position to take advantage of the stimulus to domestic activity which the emergency situation abruptly presented.

Value of production of chemicals and allied products was estimated at 1,520,204,000 cruzeiros (U. S. $87,700,000, converted at $0.0584 as more representative rate for domestic business) in 1938 and 2,100,000,000 cruzeiros ($105,000,000, converted at $0.05) in 1943, an increase of 38 percent. Miscellaneous Government measures also aided the development of the industry.

Controls Established

Shortly after Brazil's declaration of war, the Office of the Coordinator of Economic Mobilization was established by the Brazilian Government, for price and distribution control of imported products essential to the economy of the country. Among other commodities, controls were established on caustic soda, soda ash, sodium bicarbonate, sulfur, rosin, narcotics and alkaloids, sulfa drugs, salicylic acid, aspirin, antipyrine, phenacetin, pyramidon, formaldehyde, phenol, citric acid, hexamethylene tetramine, quinine and its salts, digitalin, vitamins C and D, veronal, iodine and its salts, sodium gluconate, sodium benzoate, white arsenic, sodium salicylate, and tragacanth and karaya gums. The manufacture and wholesale and retail trade in pharmaceutical products were subjected also to price control.

In December 1943, the President of Brazil approved a resolution recommending that studies be submitted to the Government in connection with construction of power plants. The plan is designed to furnish inexpensive power and to expand the chemical, metallurgical, agricultural, cattle, and mineral industries.

A resolution of the Federal Foreign Trade Council was approved, to encourage the production of quinine. It provides that the Government shall foster agreements with other South American countries to guarantee a minimum annual supply of 300 metric tons of cinchona bark to permit the establishment of this alkaloid industry in Brazil. The resolution also urges the Ministry of Agriculture to develop cinchona plantations within the country. As a result, some actual production of quinine from domestically cultivated cinchona bark was initiated early in 1944.

Recent Economic Trends

It has been estimated that 70 percent of Brazil's chemical imports were being supplied by Germany in the period immediately preceding hostilities. Significant in this trade were the long-credit terms and lower quotations of German firms, in which the operation of the compensation mark agreement between the two countries was an important factor. Free from the almost insurmountable handicaps of German competition in some lines, American products substituted in large part the former imports from Germany.

The preparation and entry of the United States into the war and, subsequently, Brazil's declaration of war on August 31, 1942, with concurrent rapid changes and accentuated dislocations to normal trade, challenged Brazilian industry in its ability to adjust itself to the emergency conditions and at the same time to take advantage of the opportunities opened.

Just as World War I gave marked impetus to Brazilian industry, the present conflict has greatly increased industrialization. Dislocations and shortages of the wartime economy were strikingly met with substitutions and adaptations. An outstanding example has been the greater use of wood, cottonseed cake, and industrial alcohol produced from sugarcane, to substitute coal, oil, and gasoline products which have been in extremely short supply in Brazil.

Utilization of national resources was stimulated in fields formerly dependent upon foreign markets. Effort has been made to place production techniques on a more efficient basis. Factories have sprung up in miscellaneous new branches of industry, and the output of innumerable existing plants has been enlarged.

Chemical Production

The significant growth of the chemical, pharmaceutical, and perfumery industries in Brazil is illustrated by an estimated increase in the value of production, from 1,520,204,000 cruzeiros ($87,700,000 at $0.584 U. S. currency as more representative rate for domestic business) in 1938 to 2,100,000,000 cruzeiros ($105,000,000) in 1943, an increase of 38 percent. The value of output in this group of commodities is exceeded only by the foodstuffs, textile, and ready-made goods industries. Total industrial output was placed at approximately 20,013,425,000 cruzeiros ($1,168,784,000) in 1938 and 31,300,000,000 cruzeiros ($1,565,000,000) in 1943, representing an increase of 56 percent.

Specific Developments

Among special projects with a social and economic outlook entailing requirements for insecticides and medical supplies, the Rio Doce Valley and the Amazon Valley sanitation work, which will be carried on for some years, is of outstanding significance.

While it would be impracticable to attempt to cover all developments which have taken place in recent periods, those cited here may give some indication of the range of activities characterizing recent industrial progress in Brazil, particularly along chemical lines. The survival of some of the new activities after the war when competition and operation costs become more significant economic factors is an open question. The extent of Government measures to protect national industries presumably will be a dominant consideration in the success of such enterprises as have had their initiation because of any abnormally favorable conditions during the war period.

New Plants Operating

The most comprehensive single development generally is conceded to be the Volta Redonda steel plant being erected by the Government-organized national steel company, which is expected to begin partial production in 1945. Besides making Brazil virtually self-sufficient in heavy steel and certain

metal products, a number of chemical byproducts will be made available, including road and roofing tars, benzol, xylol, naphtha solvents, and ammonium sulfate.

A recently organized company (Industria Chimica Iguassu S. A.) started the production of magnesium and calcium sulfate from its dolomite reserves in the State of Parana. Monthly output of magnesium sulfate is placed at 30,000 kilograms. This plant also is equipped to produce sulfuric acid from local pyrites, as well as nitric, muriatic, and phosphoric acids.

Several producers of sulfuric acid have increased the capacities of their installations and various other firms are erecting plants for this production, in view of the increasing industrial demand for this important chemical.

New distilleries have been installed for the increased output of anhydrous and other alcohol made from sugarcane and mandioca, primarily the former. Demand for alcohol has increased spectacularly, as a result of the acute fuel shortage. In the 1942–43 crop year, total alcohol production reached 156,700,000 liters.

Through Government assistance and financial participation, the Companhia Nacional de Alcalis, has been formed for the production of caustic soda and soda ash. The plant is to be located at Cabo Frio, a coastal port situated at the eastern tip of the State of Rio de Janeiro, where the production of salt from sea water is carried on. An annual output of 50,000 tons of soda ash is contemplated, 25,000 tons of which will be converted to caustic soda. Brazil has been almost entirely dependent upon foreign sources for these chemicals. Difficulties in obtaining machinery may preclude materialization of the plan until after the war. Another caustic-soda plant is scheduled for construction at Iguape in the State of Sao Paulo.

The erection near Rio de Janeiro of the plar t belonging to the Estabelecimentos Quimicos Sintecor S. A., was initiated in 1942 for the manufacture of nitrocellulose lacquers and varnishes, aviation dopes, acetic acid, acetone, propyl alcohol, butyl alcohol and acetates, amyl alcohol, glycerin, plasticizers, carbonic acid, fufural, and other items. Handicapped by difficulties in procuring equipment and raw materials, production has been slow in getting under way. Alcohol is produced from mandioca, and at present the daily output is said to be 5,000 kilograms. A small amount of phenol likewise is being produced.

Production Stimulated

Production of lemon and orange oils has been stimulated as a result of the wartime curtailment in export markets for Brazil's large citrus crop. Recent increases in production of peppermint oil and menthol crystals are estimated to have at least doubled the reputed output of 80 tons in 1942. Approximately 60 distilleries located in Sao Paulo are said to be engaged in this industry, with 15,000 acres of peppermint under cultivation. The extraction of essential oils from botanicals indigenous to the country likewise has expanded. Increasing production of lemon, orange, bergamot, and eucalyptus oils presumably will influence the future import demand for these particular items.

C. I. A. A. photo

Brazil's cities today are progressing in many ways—and progress invariably means the augmented use of chemicals. This view is of the downtown section of Sao Paulo.

An important caffeine and theobromine industry recently has been established. By the end of 1942 monthly production of three outstanding producers was estimated at 13 tons. A number of other producers, including an important American firm, are now entering the field. Not only are domestic requirements met by local production, but substantial quantities are now available for export. Emetine is another product which is being produced in Brazil for the first time. Linseed oil is being produced by firms located in the State of Parana.

Owing to the curtailment of supplies from the Far East, war demands for pyrethrum flowers of Brazilian origin have accentuated the trend toward increased cultivation. A factory for extracting pyrethrum from the flowers was established by a private firm during 1943.

The Butantan Instituto of Sao Paulo, traditionally known for its preparations of snake serums and its other activities, is planning to open new sections for research in various diseases, as well as for the production of penicillin.

The Societe Anonyme do Gaz, Rio de Janeiro, contemplates the establishment of a plant for the purification of benzol, toluol, naphthalene, and allied products from coal-tar residues and gas, at its Rio de Janeiro gas plant.

In 1942 the Companhia E'etro Chimica Brasileira of Sao Paulo initiated the manufacture of potassium chlorate for the production of commercial and military explosives. The Sociedade Comercial de Fosforos, Ltda., also is manufacturing this product for use in its match manufacture.

Textile mills and tanneries, stimulated by export demands, are operating at record levels. Output of these two long-established industries has shown marked improvement in quality and variety of finished products. Comprising more than 500 factories, the textile industry has increased its value of output by more than 30 percent in the last 5 years. Although cotton cloth and yarns are the principal products, the manufacture of silk, rayon, linen, wool, jute, hemp, and coarse locally grown fibers is carried on. Aided by the Government's distribution to cultivators of selected cocoons and mulberry shoots, the domestic silk industry has shown striking increases, resulting in the erection of miscellaneous new silk factories.

The value of output in the leather-goods industry which has been stimulated by wartime demands, rose from 266,219,000 cruzeiros ($15,500,000) in 1938 to an estimated 400,000,000 cruzeiros ($20,000,000) in 1943. Increased interest has been shown in the preparation of quebracho and other extracts from domestic botanicals for the tanning industry.

The Companhia Vidreira do Brasil is producing window and other flat glass, as well as various glass products, in its factory near Nictheroy which was completed early in 1944. One other glass factory plans to produce window glass if the necessary machinery can be obtained. A number of other factories for the manufacture of miscellaneous glass and refractory products have been placed in operation, and manufacturing facilities of various other plants have been enlarged.

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An aluminum industry, utilizing Brazil's deposits of bauxite, is another metallurgical development which received impetus from the war. Formerly the bauxite had been used mainly in the manufacture of insecticides and aluminum sulfate for water purification. The marked expansion in various mining activities may be attributed largely to the war program.

Appreciable changes have taken place in the pulp and paper industry. Several new companies have been established, and various others are projected for the manufacture of wood pulp and paper products. A plant for the production of chemical wood pulp and newsprint from Parana pine is nearing completion, but difficulties in obtaining some of the required machinery may delay its full-capacity operations. It is estimated that 1943 production of pulp, mostly mechanical, exceeded 50,000 tons. Miscellaneous producers have been utilizing a variety of locally available materials including pine, fibrous plants, cotton linters, and rice straw. The Companhia Industrias Reunidas Matarazzo has begun the production of cellophane.

Synthetic Organic Products

The synthetic organic chemical industry has not been developed to any appreciable extent, requirements being met primarily by imports. Limited quantities of coal-tar items are made as byproducts of gas plants, including benzol, dense naphthas, xylol, creosote oil, road tars, and pitch. Some dyes have been produced locally from imported intermediates. Among other synthetic organics being manufactured on a small scale are acetone; chlorine; butyl, methyl, and ethyl alcohol; fusel oil; acetic, citric, and lactic acids; formaldehyde; phenol; and amyl acetate.

With Brazilian textile mills engaged in unprecedented activity, the annual consumption of coal-tar dyes is estimated to total about $4,000,000. Before World War II, German dyestuffs had a virtual monopoly of the market. Large stocks were held by German-controlled firms at the outbreak of hostilities, but with the gradual exhaustion of the stock pile, demand for dyes of American and British origin increased. During 1943 about half of the incoming shipments came from the United States, only slightly smaller amounts from Great Britain, and a small amount from Switzerland. Owing to the strong tropical sun and other exigent climatic factors, the Brazilian textile industry uses a relatively high proportion of good quality fast dyes.

There is a small domestic manufacture of naphthalene balls and flakes from coal-tar crudes obtained from local gas companies. Pre-war consumption was about 200 tons; imports averaged 125 to 150 tons. Appreciable amounts were imported from England in 1943. Considerable quantities of naphthalene are used for curing and preserving hides and skins, and substantial amounts are employed for household purposes.

Brazil's requirements of synthetic aromatic and flavoring materials for its important perfumery, pharmaceutical, beverage, and foodstuffs industries, formerly were imported predominantly from Europe. The United States now supplies the major portion, with Great Britain and Switzerland also sharing the trade.

Military demands curtailed the supplies of phenol available to industry, and in 1943 only a fraction of normal requirements was imported. Other than for medicinal and hygienic uses, the most important outlets are in the plastic and textile industries.

The short supply of formaldehyde stimulated a small domestic production, but the local commodity is said to be of relatively inferior quality. Other items in which there is a relatively active import trade include solvents, plasticizers, benzol, nitrobenzol, nitrotoluol, and accelerators for rubber vulcanization.

Manufacture of cellulose acetate for consumption in the rayon industry was commenced in 1941, and current imports are small, as compared with former years. Output has been maintained near capacity levels during recent periods in an attempt to keep pace with demands of textile mills for rayon yarns.

Domestic output of methanol derived from the destructive distillation of wood does not meet consumption requirements. It is used in the manufacture of methyl chloride for refrigerants and for pharmaceuticals and miscellaneous chemical purposes. Present production of butyl alcohol from mandioca is reported to satisfy all local requirements.

Plastic Materials

Significant changes have occurred in the Brazilian plastic market. The shortage of miscellaneous plastic manufactures customarily imported before the war stimulated the Brazilian plastic-molding industry. The extent of expansion has been contingent upon wartime supply of synthetic resins. Galalith and "ebonite," a hard rubber material, are the only plastic materials that may be said to be produced in the country primarily from local raw materials. Some phenol-formaldehyde and other type resins are compounded locally, but the industry is almost entirely dependent upon foreign sources for its supplies of miscellaneous synthetic resins or ths basic materials for their manufacture.

Nevertheless, progress has been made in some branches of the industry, and the plans and outlook for post-war development in the field appear favorable for this industry, which is still in its infancy. The expansion in the thermoplastic injection-molding industry has been particularly notable. There are now 20 firms manufacturing injection-molded products from cellulose acetate powder. Present demand is approximately 200 tons annually. Demand for thermosetting resins, particularly phenolics and urea formaldehyde, has exceeded quantities available. The most important outlet for methyl methacrylate resins at present is for the dental trade, but when this resin can be supplied in larger quantities, there appears little doubt but that it will be in demand for other uses.

Industrial Chemicals

Alkalies

Brazil's textile, soap, glass, candle, paper, and miscellaneous chemical industries are important outlets for caustic soda, soda ash, potash, sodium carbonate, and bicarbonate and borax. Outside of a negligible production (about 1,500 tons annually) of caustic soda, the country has depended on imports primarily from Great Britain and the United States for its requirements. When present plans materialize for the establishment of the Government-supported caustic-soda industry, the country will have progressed a long way toward becoming self-sufficient in these chemicals.

Aluminum Sulfate

Production of ordinary grade aluminum sulfate is sufficient for all domestic needs, being estimated at about 8,000 tons annually. Double this amount could be produced with the existing plant capacity. A demand exists for the imported iron-free grade for use in tanneries. Reflecting the increase in production, the 1943 volume of imports was only about one-fifth the 1939 figure.

Potassium Chlorate

Three Sao Paulo firms are said to have a monthly output of from 26 to 30 tons of potassium chlorate, made from potassium chloride imported from the United States and Chile. The principal plant expects to increase its output from 15 to 25 tons per month as soon as the necessary equipment can be installed. Consumption of potassium chlorate is estimated at 800 tons annually, approximately 80 percent of which is destined for match production, and the remainder by the explosive, fireworks, textile, and other industries.

Sulfur and Sulfuric Acid

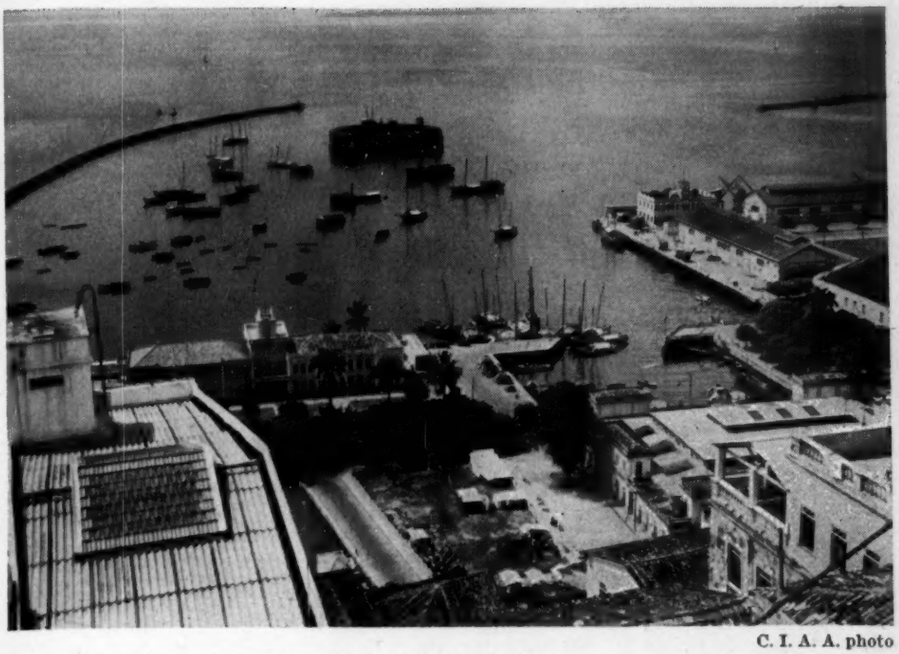
All sulfur requirements must be met by imports, primarily from the United States and Chile. Substantial quantities are used in formicides to combat the "sauva" leaf-cutting ant. Increasing amounts are being utilized in the manufacture of sulfuric acid.

Domestic pyrites provide the raw material for only a small percentage of the local output of sulfuric acid. The Government plant at Piquete is the most important one using pyrites. Because of greater demands, the daily output of five producers in the Sao Paulo area was increased to approximately 115 metric tons in 1943. Four additional firms are understood to be mounting installations for manufacture, which will increase the daily output by at least 35 tons.

Miscellaneous Acids

The increased domestic manufacture of citric, hydrochloric, acetic, and nitric acids has either eliminated or greatly reduced the necessity for importing these items.

Manufacture of citric acid was initiated by a Sao Paulo firm in 1942; annual output was estimated at 90 tons (liquid basis) during 1943. Early in 1944, another plant was completed and began producing around 500 kilograms of



C. I. A. A. photo

Port of Sao Salvador (Bahia), Brazil. Through this harbor pass many imports of chemicals and drugs destined for the Brazilian "Northeast."

crystals daily; capacity output eventually will be reached to double this figure. Still another firm plans to enter this field, and, if so, total output of these firms will exceed domestic requirements.

Tartaric acid and cream of tartar are produced in the grape-growing district of Rio Grande do Sul, output of the acid varying between 50 and 100 tons per year. Domestic requirements have been supplemented in recent years by imports from Argentina.

Other Industrial Chemicals

Facilities of the Nitro Quimica Brasileira for the manufacture of anhydrous ammonia are said to be adequate for all domestic requirements. Capacity of the plant is placed at 1,200 kilograms daily. Cost of the local product is higher than of the imported commodity.

Increased demands in 1942 and 1943 for potassium and sodium chromates, large quantities of which are employed in tanning, exceeded available supplies. These commodities formerly were imported primarily from Germany, but now Brazil is dependent upon the United States to supply its needs. A local output of bichromate of soda from domestic chrome deposits now meets a small portion of the consumption requirements.

Approximately one-half of Brazil's total requirements for sodium phosphate, estimated at 400 tons annually, is supplied by domestic production. Sodium sulfide and sodium hydrosulfite are not produced within the country, annual imports amounting to 2,300 tons of the former and 500 tons for the latter. Reflecting the activity of the textile and tanning industries, relatively large quantities of Glauber salts were imported in 1942 and 1943, chiefly from Chile.

Estimated production of 660 metric tons monthly of calcium carbide has been sufficient to supply the country's own needs and permit exportation. The Brazilian Navy, shipbuilding companies, public-utility and transportation firms, as well as miscellaneous industries, are the outstanding outlets.

The demands for chromium and other synthetic tanning materials have progressively increased along with the country's active manufacture of leather for both military and civilian purposes. Several chromium tanning preparations of American origin are now sold on the market.

Although white arsenic is produced as a byproduct of the St. John Del Rey and the Passagem gold mines, consumption requirements were customarily met in part by importations, formerly from Germany, Belgium, Japan, and Sweden. The most important use is for agricultural and cattle insecticides, but other uses are for the preservation of wood, hides and skins, in the glass industry, and in medicinal preparations. Annual consumption has been estimated up to 2,000 tons, about half of which may be supplied by domestic output.

Insecticides

Agricultural and household insect pests are prevalent in this tropical and subtropical climate; therefore considerable quantities of insecticides and the chemicals used in their preparation are imported into Brazil. Sulfur, copper sulfate, white arsenic, lead arsenate, and paris green are among the chemicals consumed in greatest amounts for insecticidal purposes. The Government—which imports free of duty and compounds insecticides for agriculture, selling them at cost to farmers—is an important outlet for these chemicals.

Production of copper sulfate and lead arsenate, both used primarily in the compounding of insecticides, is estimated at 1,200 tons for the former and 800 tons for the latter, annually.

Increasing use is being made of sprays in the citrus-fruit industry. A new manufacturer of these sprays is using carbon tetrachloride and petroleum bases with timbo (cube) powder and nicotine sulfate. A number of firms manufacture roach poisons and other household insecticides from timbo and pyrethrum, both products being of domestic origin. High duties on prepared insecticides and fungicides make the cost of most imported preparations almost prohibitive.

Textile Specialty Compounds

Imported detergents, surface-acting agents, and textile auxiliaries have had an increasing acceptance in the textile industry. Previous to their introduction, soap and sulfonated oils were the only detergents used and many of the smaller textile mills still rely chiefly or wholly upon such agents. Before the war, Germany supplied the bulk of the imported detergents and wetting-out agents.

Several local firms prepare their own trade-marked products, mixing domestic sulfonated oils and imported synthetic auxiliaries. A few of the larger textile mills also mix their own detergents, using imported auxiliaries. In the present unprecedented high production level of textile mills, the demand for imported synthetic detergents is active. Providing prices are competitive, it appears that American trade-marks, which for the first time are becoming known to Brazilian textile firms, may continue to be sold in this market after the war.

Paints, Varnishes, and Inks

The domestic manufacture of paints and varnishes is increasing. The industry has a high protective tariff. Baking enamels for metals, nitrocellulose varnishes and lacquers, as well as miscellaneous protective coatings and synthetic base products, antifouling paints, aviation dopes, and similar commodities are produced and consumed in greater amounts. The construction industry has been maintained at an exceedingly high level of activity during recent years and the demand for all types of house paints has been substantial. Paint imports, the quantities of which are decreasing, consist primarily of high-grade specialty items, automobile lacquers, and oil paints.

The industry is dependent upon foreign sources for many basic chemicals for paint manufacture. With the exception of lithopone—the bulk of which is received from the United States—the pigments, zinc oxide, iron oxides, red lead and litharge, the blue pigments, and chrome pigments, are both produced and imported. Besides their consumption by the paint industry, these pigments are utilized by other industries, specifically, rubber, textile, ceramics, enamelware, glass, and ink. Because of increased consumption, imports of the pigments are believed to have increased considerably in 1943.

(Continued on p. 46)

FISHERIES of Central America

By MURRAY FRANK, *Acting Chief, Processed-Foods Supply Unit, Supply and Resources Division, Foreign Economic Administration*

THE COUNTRIES of Central America are primarily agricultural, specializing in the production of a limited number of crops for export. They are not self-sufficient in regard to basic food requirements and have to depend very heavily upon importation of such foods. Fish as an item in the diet of the Central American[1] people is consumed in small quantities, comparatively speaking. Much more is consumed on the Caribbean islands than on the Central American mainland. However, the importance of fish as a food product could well be expanded in Central America for these reasons: It is a valuable protein food; it is generally less expensive than meat, therefore within reach of most of the low-income masses of the population; and in the cured state, it keeps well in a hot climate.

In some of the Central American countries attention in recent years has been sharply directed to their coastal and inland waters as a source of greater food supplies. The decrease in imports of fish supplies from abroad, largely because of war conditions, was a determining factor in this development.

Interest in the development of fishery resources or in the expansion of local fishing industries is, in the main, of fairly recent origin. Consequently, statistics pertinent to the fish catch, production of cured fish, total and per capita consumption, and similar information, are nonexistent for most of these countries. At best, the information is fragmentary and estimated. The outstanding exception is the fairly complete data on foreign-trade reports of the various governments.

To approach a greater degree of accuracy in determining the consumption of fish in each country, it was decided to base consumption estimates on the edible portion of the catch, plus net imports adjusted to the same basis (or less net exports). The system of conversion applied is the one used in an earlier report on South American fisheries. (See FOREIGN COMMERCE WEEKLY, March 25, 1944, page 8.) It was worked out after consultation with fish technologists and economists of the Fish and Wildlife Service, Department of the Interior, and takes into consideration the nature and kind of fish caught in Caribbean waters and in the Central American Pacific coastal waters:

(1) From fresh to edible portion: reduce weight by 50 percent.

(2) From cured to edible portion: increase weight by 50 percent.

(3) Canned fish: equals 100 percent edible weight.

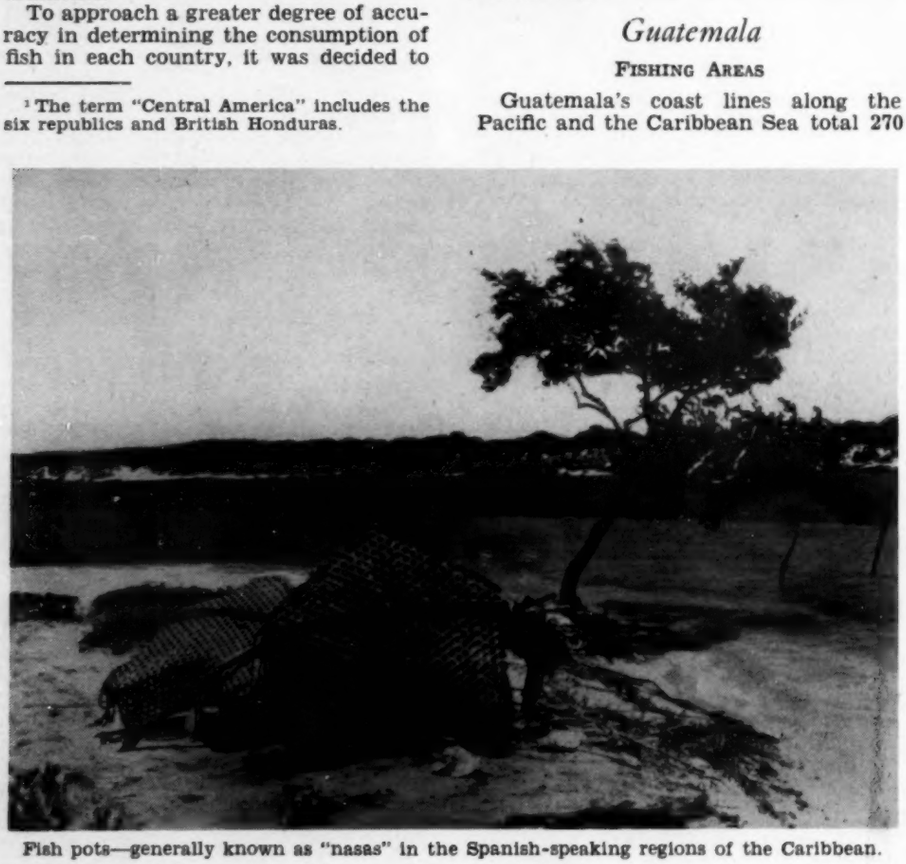
[1] The term "Central America" includes the six republics and British Honduras.

Guatemala

FISHING AREAS

Guatemala's coast lines along the Pacific and the Caribbean Sea total 270 miles. The Pacific coast, from the Mexican border to the boundary with El Salvador, is about 200 miles in length. There are several streams and a number of lagoons, but no deep indentations along this coast line. The area is sparsely populated.

The Caribbean coast extends along the Gulf of Honduras for a distance of about 70 miles. Major deep indentations are Honduras Bay and Santo Tomas Bay. Among the rivers on this coast are the Motagua, the San Francisco del Mar, and the Dulce. The Dulce River emanates from the Gulf of Dulce, an inland fresh-water body some 200 square miles in area, and Lake El Golfete, with an area of 18 square miles. There are several other lakes in Guatemala, notably Lake Peten in the north and Lake Atitlan in the south-central part, as well as several rivers, among them Rio Santa Isabel, Rio Chixoy, Rio Polochic, and Rio de la Pasion. The chief port on the Pacific coast is San Jose, with smaller settlements at Champerico and Iztapa. On the Caribbean, Puerto Barrios is the principal center, with small settlements at Livingston and Santo Tomas.



Fish pots—generally known as "nasas" in the Spanish-speaking regions of the Caribbean.

EDITOR'S NOTE

FOREIGN COMMERCE WEEKLY, in the issue of March 25, 1944, published Mr. Murray Frank's rather elaborate illustrated survey of "Fisheries of South America"—based on the comprehensive studies carried out by a field Mission. This was well received by the interests concerned with this important food topic; among other evidences of recognition of the value of the discussion was the fact that the Pan American Union translated most of the article and disseminated it to South American readers. This magazine therefore asked Mr. Frank to cover the Caribbean area in like manner (again on the basis of the Mission's investigations), and three articles on this subject will be published in these pages, the first appearing herewith. The second, entitled "Fisheries of the Caribbean Island Republics," will appear November 11, while in the issue of December 2 the author will cover "Fisheries of the Colonial West Indies." Strictly factual in character, these articles embody, we believe, a wealth of data in this field that has never before been available in print.

Guatemalan Catch Not Large

No records are available of the Guatemalan fish catch. The U. S. Fishery Mission estimates the commercial catch at 100,000 pounds annually—60,000 pounds along the Carribbean coast, and 40,000 on the Pacific. Including the catch for personal use, the total probably does not exceed 250,000 pounds. Principal species found along the Caribbean coast are mullet, snook, weakfish, tarpon, anchovies, groupers, sardines, grunt, shark, oysters, spiny lobster, and turtles. Offshore are found Spanish mackerel, kingfish, barracuda, and jacks. Species caught on the Pacific side include groupers, snappers, Spanish mackerel, sea bass, snook, jacks, sharks, and others.

Some Shark Fishing

There is no organized fishing industry in Guatemala. Small quantities of fish are caught by a few native fishermen operating on a small scale. In April 1943, Productos Maritimos, S. A., a subsidiary of an American company, was organized to carry on large-scale fishing, principally shark fishing, operating out of San Jose. A 10-year contract was signed with the Government of Guatemala permitting the company to produce shark-liver oil and byproducts for export, and to sell its catches of fresh fish in the domestic market. This is the first commercial fishing enterprise in Guatemala.

Fishermen and Fishing Craft

The U. S. Fishery Mission estimates the number of fishermen at 200 and the number of fishing craft at 100. In all probability, fishing is an incidental occupation with most of the fishermen, who also engage in other employment. Fishing craft are mainly small cayucos (dugout canoes), and the gear used consists mostly of hook and line, cast nets, and small haul seines.

Canned and Cured Fish

There is no production of canned fish in Guatemala. Some salted fish is produced at Livingston, on the Caribbean coast, but no statistics are available on the size of this production.

Foreign Trade

Guatemala's average import of fish during the period 1937–42 was 609,000 pounds annually, whereas exports were only about 300 pounds. Pre-war annual imports of 660,000 pounds decreased to 407,000 pounds in 1942, a decline of 38 percent. The loss was chiefly in cured fish, which dropped from a high of 409,370 pounds imported in 1939 to 153,575 pounds in 1942. During the entire period 1939–42, fish imports were as follows: Cured, 51 percent; canned, 48 percent; fresh, 1 percent. In 1942, the ratio had changed to: Cured, 38 percent; canned, 61 percent; fresh, 1 percent.

Major fish import items are canned sardines and dry-salt codfish. The bulk of pre-war imports was supplied by the United States and Mexico, which together accounted for 85 percent of all fish imported into the country. Sizable quantities came from the United Kingdom and Norway. In 1942, three countries supplied Guatemala with most of its fish imports—The United States, 61 percent; Mexico, 30 percent; and Canada, 7 percent.

Fishing vessel of sailboat type at a Central American port.

Consumption

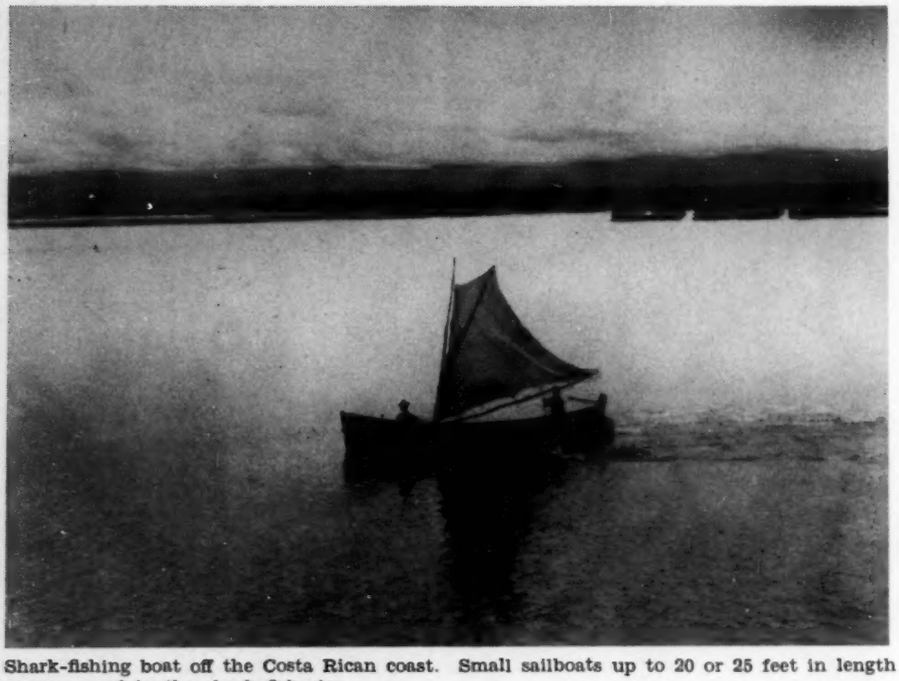
Fish is not an essential item in the Guatemalan diet. The annual consumption of fish, estimated on an edible basis, is 885,000 pounds, or a per capita consumption of 0.3 pounds for a population 3,300,000. The local catch accounts for 14 percent of the consumption, and 86 percent is derived from imports. Fresh fish is fairly abundant in the coastal areas, but very little reaches the interior. No refrigeration facilities are available on either coast of Guatemala, though small supplies of iced fish are sometimes shipped from Puerto Barrios to Guatemala City. Some fresh fish also reaches Guatemala City by rail from San Jose on the Pacific coast. The limited demand for fish—perhaps owing to the fact that the country is, in the main, agricultural—has created no great incentive for the development of its fishery resources.

Honduras

Fishing Areas

The coast lines of Honduras extend for about 400 miles along the Caribbean Sea and about 40 miles along the Pacific Ocean. The Caribbean coast, which is the more important from the standpoint of fisheries, has deep indentations, a number of small islands, and many lagoons. The largest of these is the Caratasca Lagoon along the eastern end of the coast. Several smaller lagoons include Brewer Brus, Criba, Tecomacho, and others which offer shelter for fishing craft. Among the major indentations are the Gulf of Honduras and Trujillo Bay. The more important rivers include: the Segovia, on the boundary between Honduras and Nicaragua, Patuca, Paulaya, Tinton, Aguan, Ulua, and Chameleon.

The Pacific coast is wholly within the Gulf of Fonseca. Along this coast line are several large bays, the most important of which is San Lorenzo. Important rivers in this area are: Rio Negro, along the Honduras-Nicaragua border; Rio Goascoran, along the Honduras-El Salvador border; and Rio Choluteca. Inland there are several large tributaries of north-coast rivers, including Jalan, a tributary of the Patuca; Sulaco, Humuya, and Colorado, tributaries of the Ulua; Guata and several other tributaries of the Aguan. The largest lake is Lake Yojoa, in the west-central part of the country. Major coastal cities along the Caribbean are: Puerto Cortez, Tela, La Ceiba, Trujillo, and Puerto Castilla. On the Pacific side, Amapala and San Lorenzo are important.



Shark-fishing boat off the Costa Rican coast. Small sailboats up to 20 or 25 feet in length are used in the shark fisheries.

Estimated Fish Catch

Records of the fish catch are not kept by the Honduran Government. The U. S. Fishery Mission estimates the annual catch at about 300,000 pounds, with the Caribbean coast as the more productive because of the lagoon areas. Species caught along the north coast are mullet, snook, tarpon, anchovies, grunts, croakers, jack, snappers, groupers, kingfish, Spanish mackerel, barracuda, shark, silversides, herring, sardines, shrimp, oysters, spiny lobsters, turtles, and others. Turtles are reported to outrank fish species in importance. Species caught on the Pacific coast are mullet, snook, pompano, weakfish, drums, grunts, shark, ray, sea bass, jacks, groupers, snappers, and others. The U. S. Fishery Mission is of the opinion that fish catches of considerable magnitude are obtainable in Honduran waters, particularly on the Caribbean coast.

Fishermen and Equipment

The number of fishermen is estimated at about 200, and the number of fishing craft at about 100. Prior to 1942, commercial fishing operations were practically nonexistent, chiefly because of the lack of transportation and refrigeration facilities. In August 1942, the Honduras Industrial Development Co. was organized, and this should provide an incentive to fishing activities. As for craft in use, small sailing vessels, rowboats, and dugout canoes are the predominant types. Fishing gear is of the simple type; cast nets, beach seines, and hook and line are used extensively.

Possibilities for Expanding the Industry

There is no production of canned or cured fish in Honduras. The U. S. Fishery Mission believes that good possibilities exist for a salt-fish industry along the north coast, as well as canning possibilities for sardines, shrimp, and spiny lobsters.

Imports Chiefly From United States

Honduran imports of fishery products averaged 213,000 pounds during the period 1938–42. Exports of fish are not recorded in Honduran trade statistics. Honduras is one of the few countries in Central America and the Caribbean area showing larger fish imports in 1942 than its pre-war average, the figures being 217,000 pounds in 1942, compared with 210,000 pounds as the 1938–39 average. Honduran fish imports were comprised as follows: Canned, 87 percent; cured, 11 percent; fresh, 2 percent. In 1942, the proportion had changed to: Canned, 95 percent; cured, 4 percent; fresh, 1 percent.

Major import items in canned fish are sardines and shellfish, and dry-salted cod accounts for the bulk of cured-fish imports. The United States was the major supplier in pre-war years and practically the only supplier of fish in 1942, with 88 percent and 99 percent for the respective periods. Small quantities were imported in the pre-war period from France and the United Kingdom.

Per Capita Consumption Small

Fish is not an essential item in the Honduran diet. Consumption of fishery products, estimated on an edible basis, is 373,000 pounds annually, or a per capita consumption of 0.3 pound for a population of 1,100,000. The local catch accounts for 40 percent of the consumption, whereas 60 percent is derived from imports. Consumption of fresh fish is largely limited to coastal areas, though sizable quantities are delivered by truck from the Pacific coast to Tegucigalpa, the capital. Imported canned fish may be found in all communities. The U. S. Fishery Mission reports that in 1942 an experiment was initiated by a fish dealer from the United States who shipped fish by airplane from Amapala, on the Pacific, to Tegucigalpa.

British Honduras

Fishing Areas

British Honduras is on the Central American mainland, at the westernmost extremity of the Caribbean Sea. Its coast line extends from the Bay of Chetumal, where the colony has a common boundary with Mexico, to the Sarstun River on the Guatemalan border, an approximate distance of 200 miles. There are several deep indentations, notably Chetumal Bay and Honduras Bay, and numerous islands, cays, and lagoons. Among the larger rivers of the country are Rio Hondo, Belize, Sibun, and Sarstun. Though the rivers abound with many species, especially tarpon and snook, most of the fish consumed in British Honduras are caught at sea. Belize, the capital, is the major port, and its adjoining waters are more intensively fished than other areas.

Fish Catch Supplies Local Needs

Many fish species are caught regularly and in fairly large numbers in the waters of British Honduras, but details of the catch are not available. The U. S. Fishery Mission estimates the annual catch at 500,000 pounds. Another source estimates the commercial catch sold in the country at about 800 pounds daily, which is about 300,000 pounds annually. Taking into account the catch for personal use, the estimate of the U. S. Fishery Mission is reasonable. Principal species caught in British Honduran waters are snapper, kingfish, Spanish mackerel, barracuda, grouper, rockfish, mullet, and bonito. Other species caught include tarpon, snook, crevally, grunt, tuna, drum, jack, garfish, anchovies, herring, sardines, wrasse, eels, shark, dolphin, flying fish, shrimp, oysters, clams, spiny lobsters, turtles, and conchs. The catch is believed to be sufficiently large to satisfy most local needs. Imports account for 27 percent of the fish supply, and the remaining 73 percent is derived from the local catch.

Fishermen and Fishing Craft

The number of persons employed in full-time fishing is estimated between 250 and 500, and the number of part-time fishermen is considerably greater. The number of fishing craft is placed at about 500. The type of boat commonly used is a one-man or two-man sailing dory. There are some larger sailing vessels carrying crews of up to five men, and many dugout canoes. All of these are built at Belize. Fishing gear used include hand lines, beach seines, cast nets, traps, and some fish pots and troll lines. There is a lack of fishing tackle, repairing materials, and equipment.

Canned and Cured Fish

There has been no production of canned fish in British Honduras in recent years. In the early 1920's a cannery was established at Belize for preserving

spiny lobsters, but was discontinued after several years when it was found the fishermen could not be depended upon for a steady supply. Dried and salted fish are produced on the islands and cays near Belize, but the size of this production is not known.

Imports and Exports

Imports of fishery products into British Honduras are the smallest of any of the Central American or Caribbean countries. The annual average for the years 1937–42 is 103,000 pounds of fish. During the same period, British Honduras exported 29,000 pounds of fish annually, leaving a net import balance of 73,500 pounds. Imports have decreased considerably during the war, with 1942 imports being less than a third of the pre-war average. For the period under consideration, fish imports were comprised as follows: Canned, 81 percent; cured, 18 percent; fresh, 1 percent. In 1942, the proportion changed to: Canned, 97; cured, 3 percent; fresh, none. Major import items are canned sardines and salmon. Cod was the major cured-fish item. Canned fish is in steady demand by lumber camps in the interior where the supply of fresh food is not readily replaceable. Canada, the United States, Japan, and Norway were the major pre-war suppliers of fish. In 1942, Canada and the United States supplied the bulk of British Honduran fish imports, with small quantities arriving from neighboring Mexico.

As for exports, 79 percent consists of fresh fish and the remainder is made up of dried and salted fish. Fresh lobsters are the largest export item. Mexico and Honduras have received most of British Honduran fish exports in recent years, but sizable quantities were exported in pre-war years to the United States and the Panama Canal Zone. Exports declined in 1942 to about one-fifth of the pre-war average.

Consumption

Fish constitutes a fairly important item in the diet of British Honduran inhabitants. Consumption of fish products, estimated on an edible basis, is 341,000 pounds annually, or a per capita consumption of 5.7 pounds for a population of 60,000. Fish are plentiful in local markets. The majority of the colony's population is concentrated along the coast within easy reach of the fish supply. There are four ice-making plants in British Honduras, two of them at Belize, and one refrigerated storehouse, also at Belize.

El Salvador

Restricted Fishing Area

El Salvador is one of the few countries of Central America and the Caribbean area having a one-ocean coast line. It lies along the Pacific and extends approximately 160 miles. Fishing activities are centered chiefly in the ports of Acajutla, La Libertad, La Union, and Puerto Triunfo. Major coastal indentations are at Jiquilisco Bay, Laguna de Jaltepeque, and the Gulf of Fonseca, the western part of which is Salvadoran territory. Among the larger rivers are the Lempa and San Miguel, both in the southeastern half of El Salvador. The northwestern half of the country has several large lakes, including Lake Ilopango and Lake Guija. Fish abound in the bays, lagoons, and along the immediate coast.

Fish Catch

The U. S. Fishery Mission estimated the annual catch at 700,000 pounds. The bulk of the Salvadoran catch consists of shore and lagoon species, including mullet, catfish, grunt, snappers, jacks, snook, groupers, anchovies, herring, threadfin, and sharks. Occasionally sea bass, weakfish, barracuda, and mackerel are caught. Pelagic species, such as tuna, roosterfish, and dolphins, are taken very infrequently. The U. S. Mission is of the opinion that large increases in the production of fish are limited because of the restricted fishing area, the lack of trained fishermen and adequate craft and gear, and the absence of any great demand for fish.

Fishermen and Fishing Craft

El Salvador is an agricultural country, and its soil is extensively cultivated. The coastal population is small. Most of the fishermen pursue other occupations, such as small-scale farming or stevedoring. Fishing thus becomes an incidental occupation. The number of full-time fishermen was estimated in 1940 at 134, but no attempt can be made to estimate the number of part-time fishermen. Actually, there are few commercial fishing operations in El Salvador. Attempts to organize the fishermen commercially have not been successful, and they continue to operate on a small scale. The number of fishing craft is estimated at 100, the majority of these being dugout canoes, known as cayucos. Some small sailboats are in use. Fishing methods and gear are of the simplest—small nets, principally cast nets, small beach seines, and hook and line are most commonly used.

Canned and Cured Fish

There is no local production of canned fish in El Salvador. Small quantities of fish are salted for personal use and for local consumption. No data on the fish-salting production are available, and as far as is known this production does not constitute an important element in local trade or diet.

Imports and Exports

El Salvador is one of the smallest fish-importing countries of the Central American-Caribbean area. Its average imports during 1937–42 was 257,000 pounds annually, and exports averaged only 2,440 pounds, leaving a net import balance of 255,000 pounds. Pre-war annual imports, amounting to 250,000 pounds of fish, had been reduced in 1942 by one-third. Imports by types of fish are not known exactly, since Salvadoran trade statistics list canned and cured fish together. The bulk of it is believed to be

(Continued on p. 50)

C. I. A. A. photo

Central American fishermen bring in a "hammer-head" shark—partly eaten by another denizen of the deep.

Late AIRGRAMS

Reports Submitted by Offices (in Latin America) of the U. S. Foreign Service

Ecuador

(From U. S. Consulate General, Guayaquil)

The economic and commercial situation in Ecuador tended to improve toward the latter part of September. Imports and exports during the month were on a fairly heavy scale, wholesalers and retailers reporting that it was the best business month since the revolution of May 28. Importers are still somewhat hesitant about placing orders, because of the general impression that the war in Europe will end shortly, resulting in a collapse in prices.

Retailers and wholesalers report that lines such as textiles, foodstuffs, and footwear have been least affected by the present international situation, whereas the movement of chemicals, pharmaceuticals, liquors, perfumes, and the like, show a reduction of 50 percent.

The current rice crop is expected to exceed the bumper yield of 1943 and the Government is taking steps to insure an adequate 1945 crop by authorizing the Central Bank to liberalize credits to rice growers. Although rice exports continue normal, the Government and exporters are worried by the decline in rice quotations on the Cuban market (one of Ecuador's principal outlets for rice), attributed to heavy United States rice exports to that island. Current sugar production will be insufficient for domestic requirments and a considerable quantity will have to be imported early in 1945. The decline in sugar output has resulted not only from the lower cane yield, but also from the slow-downs and frequent stoppages of old-age machinery in some sugar centrals.

The gathering of kapok has been stimulated by the United States offer to buy all surplus fiber. The 1944 kapok yield is above average, and exports are expected to show large increases. Rubber exports were heavier in September than for any month since 1942. A new quinine agreement between the U. S. Commercial Co. and the Government of Ecuador was signed September 6, 1944. September cocoa shipments were active, but exports to the United States thus far in 1944 have been about one-third less than in the same period in 1943. Coffee exports are normal and on the same scale as last year.

On August 31 bank deposits reached the same figure attained in May, supposedly indicating that the sums withdrawn during the weeks following the revolution of May 28 have been redeposited. Currency in circulation on September 20, 1944, amounted to 286,250,000 sucres as against 227,445,000 sucres on May 31, 1944, an increase of 58,805,000 sucres, or 25 percent in less than 4 months. This currency presumably was issued, largely, as a result of the heavy withdrawals of funds from banks following the revolution. Present indications are that the Ecuadoran budget for 1945, as introduced into the Constitutional Assembly during September, will not exceed 200,000,000 sucres as compared with 185,000,000 sucres for the calendar year 1944. Federal receipts up to September 19, 1944, were estimated at 143,500,000 sucres, and it is expected that the amount budgeted for the year will more than be attained. Customs receipts alone are expected to exceed 90,000,000 sucres for 1944.

Labor troubles were less pronounced than in previous months, no important strikes occurred and a trend toward moderation in labor demands was noticeable.

El Salvador

(From the U. S. Embassy, San Salvador)

The National Legislative Assembly, in regular session since October 1, has not yet taken final action on important proposals which have been studied since early in September, including a readjustment of and resumption of service on El Salvador's foreign debt, the creation of a new National Labor Department and the institution of rent controls.

Retail sales in all lines dropped off slightly during September, but remain well above normal. Trade in agricultural implements and hardware declined, as actual harvesting of crops in some areas is about to begin.

During the quota year ended September 30, 1944, coffee exports totalled 984,371 bags of 60 kilograms each (preliminary figures), of which 85 percent was shipped to the United States. On September 30, slightly over 100,000 bags remained unshipped in Salvadoran ports. Since a crop of between 700,000 and 750,000 bags is expected this season, the carry-over presents no problem. Lack of shipping facilities prevented El Salvador from completely filling its quota for the United States market.

On the basis of licensed acreage, the 1944–45 cotton crop is expected at least to equal the 95,000 quintals (of 101.43 English pounds each) picked during the crop year ended October 31, 1944. Although exports from the current crop to Guatemala total about 20,000 quintals, the Cooperativa Algodonera Salvadorena (Salvadoran Cotton Cooperative) expects to be able to export an additional 25,000 to 30,000 quintals this year if a market can be found.

After long negotiations, the Government has purchased nearly 50,000 quintals of sugar from local growers, and on September 25 the Committee of Economic Coordination inaugurated a combined rationing and price-control program through rural credit cooperatives and other outlets. Only retail stores and large consumers are rationed. Despite these efforts, sugar prices remain at the relatively high level of between $0.07 and $0.08 per pound.

The Mortgage Bank of El Salvador will soon publish the first authoritative study of prices which has been made in this Republic. Its weighted price indexes show that selected imported products which are widely consumed now average 54 percent higher than in 1938, whereas domestic products (foods of all kinds, textiles, leather, wood, etc.) average 99 percent above 1938. Local foods are shown as averaging about 105 percent above 1938 prices.

The International Railways of Central America has increased the wages of all its employees on a sliding scale, ranging from 10 to 30 percent. Laborers in the lowest-paid category who formerly received $0.40 daily now earn $0.52. A truck transportation company operating to the port of La Libertad has granted port laborers and lightermen increases ranging from 12½ to 15 percent, bringing the standard wage for the former to $0.72 per 8-hour day, with $0.16 per hour overtime.

A national Labor Congress held in San Salvador during October 8–12 resulted in a split between liberal and conservative elements in labor ranks. A number of large unions affiliated with the important Unión Nacional de Trabajadores (National Workers' Union), which advocates active labor participation in political affairs, quit the Congress in protest against the more conservative policies of the groups which sponsored the convention.

Soviet Motion-Picture Activities

Nature shots for a Russian film based on the German invasion have been completed in Kalinin, according to the Soviet press. Scenes include street fighting, invasion, and expulsion of the Germans, and the destruction of the town. The rest of the film will be made at Alma-Ata, Kazakhstan.

The first Soviet three-color film will be shown this autumn, it is said. The scenario is based on exploits of Soviet sailors, and final shots were reported in July to be nearly complete. The process of color photography used was devised by four prominent Russian motion-picture technicians, and all equipment for photographing and treating the film was designed and manufactured in the Soviet Union.

News by COUNTRIES

Bolivia

Tariffs and Trade Controls

Quinine Bark: Further Export Restrictions Applied.—Bolivian exporters are now required to turn over to the National Quinine Factory a monthly quota equivalent to 30 percent of their exports of quinine bark, according to a legislative decree dated March 29, 1944.

[See FOREIGN COMMERCE WEEKLY of April 22, and of September 16, 1944, for previous announcements of export restrictions on quinine.]

Wood: Subject to Tax When Exported From the Department of Tarija.—A tax of 50 bolivianos per cubic meter on wood exported from the Department of Tarija, Bolivia, will be collected by the customs authorities, according to a legislative decree dated March 3, 1944.

This tax is being levied for the purpose of setting up nurseries and for other works of reforestation in that Department.

Brazil

Transport and Communication

Another Helicopter Line Planned.—Another helicopter line is planned in Brazil between Sao Paulo and Santos, states the foreign press. The flight will require 15 minutes, and the helicopter will carry 12 persons.

Canada

Economic Conditions

WARTIME SHIFTS IN INDUSTRY

The sharp changes in and tremendous growth of Canadian industry during the war years are illustrated clearly in the accompanying table which compares recently released Dominion Bureau of Statistics estimates of gross value of production for 1943 with similar figures for 1939. The value for 1943 has been tentatively placed at approximately $8,393,000,000, representing an advance of 140 percent over the 1939 production value of $3,475,000,000.

The achievement of the manufacturing industries of Canada in producing the vast quantities of equipment and supplies needed for war purposes, in addition to supplying the greatly expanded demands of the civilian population, is also illustrated by the fact that the number of employees increased by 92 percent since 1939 with an increase of 160 percent in the total of salaries and wages paid. The Canadian Government also estimates that the physical volume of production was nearly doubled.

Canada's large aluminum-producing facilities and rich resources of such minerals as nickel, lead, copper, and zinc, coupled with the urgent wartime demand for such products, enabled the nonferrous smelting and refining industry, which led in pre-war 1939, to continue in first place during the war years, and almost to double in value of production.

The most remarkable expansion occurred in the miscellaneous chemical products industry which undertook to supply the armed forces of the United Nations with needed explosives and the domestic industry with industrial chemicals. Production of chemical products jumped from thirty-eighth place in 1939 to second place in 1943 and increased almost 18 times in gross value.

Other significant changes were in the shipbuilding and repairs industry, in the aircraft industry, and in the production of iron and steel products not elsewhere specified. This latter category includes such items as machine guns, tanks, and rifles.

Not only have most industries, among the first 23 shown, changed their relative positions but they have all increased the value of their production. The fact that such groups as slaughtering and meat packing, pulp and paper, butter and cheese, and flour and feed, rank near the top indicates that Canada, while developing her industrial capacity, has not in the meantime neglected her role as an agricultural country.

Industry	1943		1939	
	Value [1]	Rank	Value [1]	Rank
Nonferrous metal smelting and refining	$511,209	1	$262,602	1
Miscellaneous chemical products	480,516	2	25,789	38
Slaughtering and meat packing	438,059	3	185,196	3
Automobiles	346,248	4	107,463	5
Pulp and paper	345,439	5	208,152	2
Shipbuilding and repairs	315,228	6	11,235	−40
Electrical apparatus and supplies	243,097	7	89,061	9
Primary iron and steel	230,651	8	75,934	11
Iron and steel prodults, not elsewhere specified	221,101	9	8,303	−40
Butter and cheese	214,981	10	122,562	4
Aircraft	209,542	11	12,638	−40
Flour and feed mills products	200,445	12	101,776	7
Sawmills products	183,639	13	101,133	8
Petroleum products	183,448	14	104,579	6
Automobile supplies	182,683	15	38,712	28
Brass and copper products	178,311	16	32,112	31
Railway rolling stock	158,970	17	60,710	16
Machinery	152,767	18	48,458	23
Factory clothing, men's	147,768	19	70,808	12
Rubber goods	129,076	20	69,945	14
Cotton yarn and cloth	127,284	21	70,385	13
Factory clothing, women's	125,241	22	59,595	17
Bread and other bakery products	122,512	23	76,041	10

[1] In thousands of Canadian dollars.

Wartime Commodity Controls

Ceiling-Price Procedure Set for New Businesses.—A consolidated and simplified order continuing September 15 to October 11, 1941 as the basic period on which ceiling prices are determined in Canada and explaining the method of setting ceilings for goods sold by new businesses has been issued by the Wartime Prices and Trade Board, effective October 2, 1944.

In the wholesale business, new owners (the term applied to a person who buys or acquires an existing business) may not sell any goods at a higher price than the ceiling established by the former owner. Within 30 days after acquiring

The cover picture.

Towering Bahia

Our cover picture this week, furnished by the Office of the Coordinator of Inter-American Affairs—shows a striking view of one section of the water front of the port of Bahia, or Salvador, in northeastern Brazil. Inasmuch as Vera Kelsey, in her book Seven Keys to Brazil, has provided us with a ready-made descriptive note on this picture, we'll just go ahead and reproduce it, thus:

"In reality, Bahia should be spoken of as two cities, *baixa* (lower) and *alta* (upper). The lower, lying along a modern water front of wharves and warehouses erected on 'made land,' serves as headquarters for the seven leading industries of the State—cocoa, tobacco, piasava (broom fiber), castor oil, coffee, pastoral products, and sugar—and for banking, shipping, and business in general. Salvador Alta, some 200 to 300 feet above, following a twisting ridge, is a city of homes and government buildings, schools, colleges, museums, and of churches, cathedrals, old and new, chapels, monasteries, convents, and other religious institutions. . . . One can climb or motor from one level to the other, but much more interesting and rapid are four modern elevators (two really cable cars) that accomplish the ascent in a few seconds for a penny."

a new business the new owner must file with the Wartime Prices and Trade Board a complete list of the goods he proposes to sell and the maximum prices at which he proposes to sell them.

Although a new owner may start selling goods as soon as he takes over a business, a new entrant (a person who establishes or opens a new place of business) may not sell any goods until he has filed a complete list of his prices with the Wartime Prices and Trade Board and has received approval for the proposed prices or has had the Board fix other maximum prices.

The regulations for new owners of retail businesses are similar to those for wholesale dealers in that maximum prices must be the same as those charged by the former owner. New entrants in the retail trade must not sell goods at a price higher than the price at which identical goods or goods of the same class or kind are being sold by competitors of the same class in the same locality. Officers of the Board will visit new owners and new entrants within a short time after the commencement of business. The officers will review prices established to insure that they conform with prices of competitive sellers in the locality. Each Board representative has authority to fix prices for new owners and new entrants wherever this appears to be necessary.

In releasing the consolidated regulations the chairman of the Wartime Prices and Trade Board made the following announcement to Canadian businessmen:

> It is most important to the success of the price-ceiling policy that you continue to offer your customers goods in the lower-price ranges. Even if the prices of goods are not allowed to go up but the cheaper ranges disappear from retailers' shelves, the cost of living for a great many people will have gone up simply because they are forced to buy more expensive things.
>
> Manufacturers are therefore directed to produce in the same price ranges and in approximately the same volume in each price range as they did in 1941. Of course, due to the needs of material for war purposes and the difficulty in obtaining some goods formerly imported it is not possible to do this entirely and due allowance must be made.
>
> For your part you are expected to buy, as far as supply conditions will permit, in such a way as to stock your shelves with the same proportion of low- and high-priced goods as you did in 1941.

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

"The United Nations Are Tackling International Trade in an Open-Minded and Forward-Looking Way"

At a time when the nations are gladly making plans for peace, it is of the greatest importance to *think seriously of international trade.* War production has been a wonderful achievement in all the United Nations. Looking beyond it, business enterprise sees no more pressing problem than that of laying plans for utilization of its war-developed capacity to create goods. The ideal sought is fullest employment of the economic resources of all countries, with rising living standards in all countries, and maximum trade between all countries.

The purpose of commerce is to transfer certain commodities from those who do not need them to others who do. Foreign trade is necessary both to sell surpluses and to obtain essential goods not produced locally. It is illogical to speak of any balance of trade as being favorable to a nation, because the cost of imports is exports. The purchases that a country can make are limited by the value of the goods and services it can sell. International trade enables countries and localities to develop the industries best suited to them, and it helps to raise consumption by enabling consumers to take advantage of specialization in economic activities.

To sell a big quantity of exports a country must be prepared to buy a big quantity of import products. Only half of the power of commerce resides within the nation, and the whole business is as effectually ruined by destroying half as by attacking the whole. When the ability of any nation to buy is impaired, it equally involves the seller.

Foreign trade is not founded upon selfishness, but upon *participation.* No country should approach post-war commerce with the idea that it is primarily a measure to avert a depression or create employment. Effective world demand will automatically make full use of the world's manpower and resources, but the basic target is the maximum satisfaction of human needs.

The United Nations are tackling international trade in an open-minded and forward-looking way. They recognize as a first requirement that the nations of the world must have freedom from fear of war, and this can only be assured through some form of cooperative guarantee. Next need is for commercial stability, so that business can plan confidently for future development. There must be monetary stability and the provision of credit.

To set up the functional machinery for all these is the task being undertaken by a dozen agencies. There is no room in such a picture for the isolation attitude of mind, nor for clashes of sectional interest. The world is not merely an aggregate of unrelated units, but is, in effect, a single economic system. It is *impossible* to shelter internally from world-trade fluctuations merely by contracting the range of our economy.

Few people who now applaud policies of self-sufficiency would be prepared to return to conditions that surrounded primitive groups which were able to maintain themselves without outside contacts. Their standard of living was low, social gains were slight, spiritual values were practically nil, and there was no education worth the name.

(*From a recent Monthly Letter of the Royal Bank of Canada.*)

Chile

Transport and Communication

New Airfield Proposed for Valparaiso.—The Chilean National Air Line is considering the establishment of a regular daily air service between Santiago and Valparaiso, which would require a new landing field, probably in the Marga-Marga Valley between El Salto, the Nitrate Park and Las Cucharas bridge, states the Chilean press. The existing field of El Belloto the nearest to Valparaiso, is reported to be inconvenient, while the new site is said to be protected from winds and to be more than a mile long and to have a minimum width of 984 feet.

Colombia

Transport and Communication

Air Services Restored in Parts of Colombia.—On July 26 Aerovías Nacionales de Colombia (Avianca) restored regular and adequate service connecting Bucaramanga, Santander Department, and Cucuta, Santander del Norte Department, Colombia. Services had been operated on a greatly reduced scale since March. The city of Bucaramanga now has daily (except Sunday) passenger, mail, and express service to Bogota. As these two isolated Departments are handicapped by the inadequacy of other facilities of transportation, restriction in air schedules was seriously felt in the transaction of business.

Avianca is also constructing a new airfield at Cazadero, near Cucuta.

Cuba

Wartime Commodity Controls

Iron and Steel Products: Distribution and Consumption Regulated.—Iron and steel products may not be distributed or consumed in Cuba without prior authority from the Office for Regulation of Price and Supply (ORPA), according to ORPA resolution No. 253, published in the Official Gazette of September 15, 1944. Iron and steel products are divided into two groups. Group A includes steel reinforcing bars, iron bars and plates, iron tubes for water and gas installations, iron materials for electrical installations, and group B includes nails, tacks, clamps, and barbed wire.

Every importer of the materials and articles listed above is required, at the time of importation, to file a sworn declaration with ORPA containing detailed information concerning the merchandise imported. The Division of Supply of

that office will then issue a Permit of Declaration for Consumption and Withdrawal From Customs, which will authorize the importer to remove the merchandise from the customs to his warehouse or establishment. No further disposition of the merchandise may be made, however, without an order from ORPA.

In most cases, an official consumption permit is required before articles in group A may be used or sold. Priorities for the use of these materials have been set up by ORPA. The consumption permit is not required to purchase the materials in group B, but manufacturers and wholesalers are required to ration these products to retailers in accordance with their past purchase records.

Peanut Meal: Sale Temporarily Prohibited.—Manufacturers of peanut oil are prohibited from selling or transferring peanut meal until further notice, according to resolution No. 255 of the Cuban ORPA published in the Official Gazette of September 22, 1944. The preamble of the decree states that the prohibition will remain in effect until such time as the ORPA will have made a new plan for distribution of the product. The decree provides that in emergency cases, however, permission for the sale and delivery of peanut meal may be granted.

Ammonium Sulphate and Shellac: Distribution and Consumption Regulated.—Ammonium sulphate for industrial or commercial use and shellac have been declared articles of prime necessity and their distribution and consumption may not be effected except under license from the Cuban ORPA, according to ORPA resolution No. 254, published in the Official Gazette of September 18, 1944. The decree states that these products are of prime necessity to the alcohol and molasses industries.

Tariffs and Trade Controls

Equipment for Transportation Companies: Exemption from Payment of Import Duty Granted When Imported by Transport Companies During a Specified Period.—The privilege of importing transport equipment from the United States on a duty-free basis, which has been accorded to railway companies by a decree of August 2, 1944, has been extended to all land, air, and maritime transport companies by Cuban decree No. 3127 promulgated in the Official Gazette of September 29, 1944.

The decree states that natural or juridical persons operating public service motorized land, air, or maritime transport facilities for passengers or cargo may import from the United States all equipment necessary for the repair or renewal of transport facilities for a 2-year period beginning September 29, 1944, provided such equipment is not available in Cuba. Application for this exemption from duty must be made before March 30, 1945. The decree further provides that this exemption will be extended only for new equipment of the latest type.

Coffee: Export Allocation of the 1944–45 Crop Established.—Twenty percent of the 1944–45 Cuban coffee crop must be set aside for export according to decree No. 2997, published in the Official Gazette of September 22, 1944. The decree also raised the price to be paid to coffee growers from $8.25 to $9 per 100 pounds of coffee berries.

Dominican Republic

Transport and Communication

Highway Construction.—The internal trade of the Dominican Republic depends almost entirely upon the roads and trucking facilities within the country. Three main highways, in fair to poor condition, extending east, northwest, and west from Ciudad Trujillo, provide access to almost every part of the Republic. Approximately 20 small roads are at present under construction and 7 additional roads are planned by the Department of Public Works to be started this year.

Air Traffic.—Since early 1943, air passenger traffic to, from, and through Ciudad Trujillo, Dominican Republic, has increased rapidly, and at this time there are 64 flights scheduled per week. In 1942, when airplane service through Ciudad Trujillo was first initiated, there were 14 flights weekly.

The General Andrews Airport, inaugurated on February 22, 1944, can handle practically any size aircraft. Planes of Pan American Airways, Inc., are utilizing it as the one intermediate stop between Miami and Trinidad on their east-coast-of-South-America flights. Besides this east-coast run, planes of the Pan American system use the airport for the La Guaira (Venezuela) and San Juan (Cuba) flights. KLM air line also operates a fortnightly service between Curacao and Ciudad Trujillo, via Aruba.

An internal mail and passenger service has been started by the Compañia Dominicana de Aviación. The schedule includes two flights daily to Santiago and three weekly to La Romana, and it is planned to initiate flights to Monte Cristi and San Pedro de Macoris, and eventually to Samana and Barahona. The company operates two planes. This service is helping the local transportation situation considerably as traveling time is approximately one-quarter of that consumed by automobile.

Ecuador

Tariffs and Trade Controls

Flour: Exempt From Warehousing Fee.—Shipments of flour that have arrived at the port of Guayaquil since June 1, and those that arrive up to October 31, 1944, are exempted from the Ecuadoran customs warehousing fee of 1 centavo per kilogram according to Executive decree No. 571 dated July 31, 1944.

However, only those who present a petition within 24 days after arrival of the steamer or who obtain a release of their shipment will be benefited by this decree.

Nitrate: Imports Allowed One-Half Reduction on Port Tax.—Imports of nitrate into Ecuador will be subject to only 50 percent of the port tax of 90 sucres per ton of 1,000 kilograms gross weight according to Executive decree No. 637, dated August 1, 1944, published in the Official Register No. 62 of August 15, 1944.

The purpose of this decree is to reduce prices of fertilizer and improve the agricultural yield of the country.

Foreign Cigarettes, Aguardiente, Beer: Subject to Consumption Tax in the Canton of Milagro.—Taxes of 2 sucres on each liter of aguardiente, 50 centavos on each bottle of beer, and 50 centavos on each package of foreign cigarettes consumed in the canton of Milagro, Ecuador, were promulgated by Executive decree No. 2829, and effective on April 10, 1944.

These taxes are being levied for the purpose of canalization and the paving of the streets of the capital of the canton of Milagro.

Taxes Imposed on Various Goods Consumed in or Exported From the Newly Created Canton of Chunchi.—The council of the new canton of Chunchi, Ecuador, was authorized to collect the following taxes by Executive decree No. 698, dated and effective on August 9, 1944: 10 centavos on each bottle of up to 700 grams of national or foreign beer consumed in the canton; 2 sucres for each head of cattle, 1 sucre for each hog, and 50 centavos for each sheep exported from the canton; 1 sucre for each quintal of mineral products, and 50 centavos for each quintal of agricultural or commercial products which are exported from the canton.

France

Transport and Communication

Limited Mail Service Extended to Additional Departments.—Effective October 10, 1944, the limited mail service (restricted to unregistered, nonillustrated post cards in English or French, on personal or family matters) to certain areas of France under the provisions of order No. 25851 of September 4, 1944, is extended to the whole of continental France, excluding the territory of Belfort and the Departments of Charente-Inferieure, Doubs, Loire-Inferieure, Meurthe-et-Moselle, Meuse, Morbihan, Moselle, Bas-Rhin, Haut-Rhin, Haute-Saone, Vosges, Basses Pyrenees, Landes, and Gironde, by the Postmaster General's order No. 26164 of October 9, 1944, published in the United States Postal Bulletin of October 10.

Effective October 15, 1944, this service will be further extended to the Departments of Basses Pyrenees, Landes, and Gironde, by the same order.

[See FOREIGN COMMERCE WEEKLY of September 16, 1944, for the text of order No. 25851 of September 4, 1944, and of September 30 and October 7, 1944, for the extension of this service to additional areas in France by subsequent orders.]

French North Africa

Wartime Commodity Controls

Kitchen and Table Utensils Dangerous to Health: Manufacture and Sale Prohibited in French Morocco.—The manufacture and sale in the French Zone of Morocco of kitchen and table utensils considered dangerous to the public health have been prohibited by a dahir of July 4, 1944, amending the dahir of October 14, 1914, on the prevention of frauds in the sale of goods and falsifications in food products, published in the Bulletin Officiel of July 21, 1944.

Spain's Arrears in Commercial Indebtedness Largely Liquidated

Under the arrangement concluded in 1942 between the Governments of the United States and Spain, by the end of August 1944 foreign exchange in excess of $9,100,000 had been released by the Spanish Government for the liquidation of the arrears in commercial indebtedness arising from the shipment of goods to Spain by American firms prior to the beginning of the Spanish Civil War in July 1936.

Certain small balances are still pending liquidation, some of which are the subject of negotiation between the American exporter and the Spanish importer. Others result from the inability of the debtor to increase his peseta payments to cover the difference between the exchange rate prevailing at the time of acceptance of the shipping documents and the present official rates.

With these relatively few exceptions, it may now be considered that the arrears in commercial indebtednesss owed to American concerns by Spanish purchasers of merchandise shipped prior to the Spanish Civil War have been liquidated.

Tariffs and Trade Controls

Maize, Sorghum, Dari, Dried Legumes in Tunisia Placed Under Control of Wheat Office.—The provisions of the French law of August 15, 1936, instituting a national intertrade wheat office for the control of the wheat, barley, and oats trade in France and Algeria, as applied in Tunisia by a Tunisian decree of September 3, 1936, have been extended to include maize (corn), sorghum, dari, and dried legumes, by a Tunisian decree of July 20, 1944, published in the Journal Officiel Tunisien of July 25.

[The application of this law in Tunisia was announced in COMMERCE REPORTS of December 19, 1936.]

Transport and Communication

Parcel-Post Import Permits Issued in French Morocco Only for Essential Products.—Import permits will be issued in the French Zone of Morocco only for absolutely essential articles to be sent from the United States by parcel post, according to information issued by the Casablanca Chamber of Commerce on August 25, 1944.

The Chamber of Commerce stated that import permits would be issued during the coming months to the extent of $50,000, this amount to be reserved exclusively for commercial purposes. In principle no applications were to be received from private individuals: Orders by parcel post should be limited to goods of a relatively high value and of comparatively little weight.

Following is a specimen list, subject to revision and alteration, of various categories of goods, in order of priority, for which permits will be granted: (1) Medicine, drugs, and toilet preparations; (2) dental accessories; (3) optical accessories; (4) photographic products (primarily for radiography); (5) spare parts for tools; (6) articles necessary for makers of clocks, watches, and precision tools; (7) office supplies now lacking, such as typewriter ribbons; and (8) miscellaneous articles.

Applications for parcel-post import permits should be addressed to the Shereefian Control and Export Office ("L'Office Chérifien de Contrôle et d'Exportation") and should include the following information: Description and quantity of goods ordered; unit and total price; cost of postage, unit and total weight, number of packages, and other relevant information.

[Parcel-post service to the French Zone of Morocco was resumed on January 7, 1944, and special limitations on size, weight, and frequency of parcel-post packages were removed on February 16, 1944, as announced in FOREIGN COMMERCE WEEKLY on February 5 and March 11, 1944.]

French West Africa

Tariffs and Trade Controls

Import Surtax on Foreign Goods Suspended Temporarily.—The schedule of import surtaxes on goods of foreign (non-French) origin imported into French West Africa was suspended for a period of 6 months beginning October 23, 1943, by order No. 3711 A. P. of October 21, promulgating a decree of October 2, and published in the Journal Official of French West Africa on October 23, 1943 (just received).

This decree of October 2 also abrogated order No. 2191 F. of June 15, 1943, (apparently never placed in effect) which had fixed a new schedule of import and export duties.

Schedule of Fiscal Import Duties Revised.—The schedule of fiscal import duties on goods of any origin (including French) imported into French West Africa was revised by order No. 3001 F. of August 20, 1943, and following approval by a decree of October 2, the new schedule was promulgated by order No. 3711 A. P. of October 21 and published in the Journal Officiel of October 23, 1943 (just received).

Cocoa, Raw or Manufactured: Export Duty Reduced.—The export duty on cocoa, in the bean or manufactured, has been reduced from 14 percent to 6 percent ad valorem in French West Africa, by order No. 3682 bis F. of October 16, 1943, published in the Journal Officiel of that colony on November 20, 1943 (just received).

Guatemala

Wartime Commodity Controls

Import Duty on Used Automotive Tires Temporarily Reduced.—Used automotive tires have been made subject in Guatemala to an import duty of 20 percent ad valorem, regardless of country of origin, for the period of the war emergency, by an Executive decree of June 2, 1944, published the same date and effective the day following.

Under provisions of the trade agreement between the United States and Guatemala, which became effective June 15, 1936, unspecified rubber tires for all kinds of vehicles, which include automotive tires, whether new or used, were made subject to duty at a rate not to exceed 20 percent ad valorem, when of United States origin. The general tariff rate on automotive tires, used or new, was formerly 0.20 quetzal per gross kilograms.

Tariffs and Trade Controls

Import Classifications of Cotton Yarn and Thread Modified With Some Duty Increases; Few New Items Created.—The Guatemalan import classifications of cotton yarn and thread have been modified, with some increases in duty, by an Executive decree of May 12, 1944, published May 17, 1944, and effective 30 days thereafter.

The new rates of import duty, in quetzales per gross kilograms, are as follows, former rates being shown in parentheses:

Bleached or colored cotton yarn of a single strand, loose or twisted, for weaving, in cones or skeins, 0.15 (bleached, 0.12, colored 0.15); bleached or colored cotton yarn of two or more strands, twisted, for weaving, in skeins, cardboard cones, or other similar container, provided each contains 10,000 yards or more, 0.25 (bleached, 0.12, colored, 0.15); cotton thread for unspecified uses, in unspecified forms, 0.50 (0.50). If the yardage is not indicated on the cones, the skeins, or other container, bleached or colored cotton yarn of two or more strands for weaving will be classified as cotton thread for unspecified uses, in unspecified forms, and become dutiable at the 0.50 quetzal rate, unless invoices covering imports of this yarn specifically show the yardage.

[When of United States origin, bleached cotton yarn for weaving remains dutiable at 0.12 quetzal per gross kilograms, and colored cotton yarns for weaving at 0.15 quetzal per gross kilogram, regardless of the number of strands and the yardage, by virtue of the trade agreement between the United States and Guatemala, which became effective June 15, 1936.]

Under additional provisions of this decree, new items were created as follows, dutiable in quetzales per gross kilogram and with the former rates shown in parentheses: Rubber waste, used solely as raw material, 0.05 (0.10); salts and compounds of soda, not specified, for industrial use, in containers of 10 or more kilograms, 0.10 (0.25); knit plush fabrics of cotton, 1 (2).

India

Economic Conditions

The annual report of the Reserve Bank of India for the year ended June 30, 1944, indicated a continued increase in economic activity in India. Production, employment, earnings, and trade were all said to have been on the increase.

A survey of wages paid to textile workers in Bombay was cited to show that wages have increased by as much as 100 percent. Check clearances were up by 11,420,000,000 rupees; railway earnings (for an 11-month period) showed an increase of 16.7 percent; and freight carloadings for the same period showed an increase of 0.7 percent. Foreign trade on private account was above the level of the preceding year, particularly in exports, and India's balance of trade showed a correspondingly larger positive balance than in 1943.

Prices, which reached their peak in June 1943, were said to have been stabilized at a slightly lower level as the result of the operation of various controls. One of the most serious economic problems which faced India during the 12 months under review was stated to be that of providing an adequate food supply.

As an indication of the disrupting influences of the war, it was stated that India had made disbursements on its own account and on behalf of Allied Governments of 6,930,000,000 rupees during the year ended March 31, 1944, and a total outlay of 17,650,000,000 rupees since the war began. This has resulted in a progressive diversion from civilian to war consumption of goods, a situation which could best be met by absorbing excess purchasing power through taxation and borrowing. This has been done in increasing measure, and there have also been efforts to increase the supply of essential consumer goods, to bring down the price of textiles by a special control order, and to reduce the prices of an increasing number of consumer goods by direct controls. There have also been some direct monetary controls, such as restrictions on capital issues and on forward trading in stocks, shares, and bullion.

Foreign Trade

The value of both imports and exports of merchandise trade in India increased during the year ended March 31, 1944, according to figures published by the Department of Commercial Intelligence and Statistics of the Government of India. Imports rose from 1,104,457,020 rupees in 1942–43 to 1,188,535,243 rupees ($358,000,000) in 1943–44. Exports of Indian merchandise rose from 1,876,336,978 rupees to 1,992,036,904 rupees ($600,000,000). Exports of foreign merchandise in 1943–44 totaled 109,618,909 rupees, bringing the total value of exports of merchandise to 2,101,655,813 rupees ($633,000,000). There was thus an export balance of merchandise trade for 1943–44 of 913,120,570 rupees ($275,000,000), compared with a balance of 842,544,727 rupees for the preceding 12 months.

Import figures (by value) indicate a reversal of the position of (1) the British Empire and (2) other countries as sources of Indian supply. In 1942–43 India bought goods to the value of 612,549,907 rupees from the Empire and 491,907,113 rupees from other countries. During the year under review, the Empire supplied India with goods valued at 570,112,929 rupees, as compared with 618,422,314 rupees from other sources.

On the export side, the Empire continued to be India's largest customer, though the proportion of sales by value was somewhat reduced. In 1942–43, goods of Indian origin to the value of 1,258,133,577 rupees went to British Empire countries, as compared to 618,203,401 rupees to other countries. By the same comparison, the figures for 1943–44 are 1,285,072,280 rupees and 706,964,624 rupees.

As in 1942–43, India transacted more business with the United Kingdom than with any other country, exporting approximately twice as much by value as was imported. The United States retained its position as second largest purchaser of Indian goods, but gave way to Iran as second largest exporter to India.

[In thousands of rupees] [1]

By country	Year ended Mar. 31, 1943	Year ended Mar. 31, 1944
General imports	1,104,457	1,188,535
United Kingdom	295,593	298,037
Iran	177,784	275,570
United States	191,194	183,952
Egypt	81,179	111,867
Australia	32,220	49,216
Domestic exports	1,876,337	1,992,037
United Kingdom	573,177	601,912
United States	278,018	402,852
Ceylon	144,328	143,576
Australia	160,769	133,124
Union of South Africa	105,121	99,042

[1] The exchange rate of the rupee is now $0.301215, at which rate it has remained with but slight variation throughout the periods indicated above.

The relative position of principal countries in India's trade is given in the

preceding table. Merchandise intended for military use is understood to be excluded from these data.

[For the 6-month figures on India's trade, see FOREIGN COMMERCE WEEKLY of March 18, 1944.]

Madagascar

Tariffs and Trade Controls

Cinnamon Bark, Certain Fibers, Gray Agates, Columbite Ore, Beeswax: No Longer Reserved for Official Purchase by Allied Government Agencies.—The Delegation in London of the French Committee of National Liberation has agreed with the Governments of the United Kingdom, the United States of America, and the Union of South Africa to withdraw cinnamon bark, raffia, hemp, kapok, piassava, other fibers (except sisal), gray agates, columbite ore, and beeswax from the lists of foodstuffs and raw materials reserved for official purchase from Madagascar by Allied Government agencies according to the Board of Trade Journal, London, September 2, 1944.

These items will now be available for purchase through normal trade channels, subject to license requirements and availability of shipping space.

[See FOREIGN COMMERCE WEEKLY of May 15 and August 14, 1943, and February 5, 1944, for announcement of the agreement and lists of foodstuffs and raw materials.]

Mexico

Tariffs and Trade Controls

Price Bases for Assessment of Excise Taxes on Cigarettes Raised.—The price bases on which excise taxes are assessed on cigarettes, whether domestic or imported, have been raised by a Mexican Executive decree of August 28, 1944, published in the Diario Oficial of September 19, 1944, and effective the third day thereafter.

Excise taxes on cigarettes are calculated in Mexico on the basis of an elaborate schedule in which the rates assessable vary according to the factory price, the weight of the pack, and the number and dimensions of the cigarettes. Under the present decree, while the tax rates remain unchanged, the factory price, one of the factors in determining the amount of the tax, has been revised upward, resulting in a reduction of the tax.

[For previous announcement of the excise taxes on cigarettes, see COMMERCE REPORTS of June 25, 1938.]

Palestine

Exchange and Finance

New War Loan Bonds With Lottery Feature.—A new issue of War Loan Bearer Bonds is authorized by ordinance No. 27 of 1944, published in the Palestine Gazette of September 14. The bonds are to be issued at par in denominations of £P10 ($40) to a total amount of £P1,000,000, with attached annual interest coupons at 1 percent. Quarterly drawings by lot are to be made of 159 bonds at each drawing. Tickets consecutively numbered the same as the issued bonds are to be placed in a drum, and the drawings are to be made from this drum. The bond corresponding to the first ticket drawn is to be redeemed for £P1,000, to the second for £P500, to the next 2 for £P250 each, to the next 10 for £P100 each, to the next 20 for £P50 each, to the next 125 for £P20 each. Such sums are not deemed to be income for purposes of the income-tax ordinance.

Bonds not drawn by September 20, 1964, mature at that date. If the entire issue is sold by the first quarterly drawing in December 1944, a total of 12,720 bonds will have been drawn before maturing, leaving 87,280 bonds unredeemed at maturity. The effective interest rate on the money borrowed is just over 3 percent.

Funds raised by this issue are to be used to cover a deficit which may be incurred in the current fiscal year as a result of the war, to grant loans to municipal and local councils, and to lend to the United Kingdom at 3 percent.

Panama

Wartime Commodity Controls

Petroleum Products: Rationing Committee and Pool Committee Formed.—Under Panamanian decree No. 474 of September 6, 1944, the Rationing Office has been given authority to ration kerosene, Diesel oils, fuel oils, and asphalt, as well as gasoline, and a Rationing Committee has been formed for this purpose. The decree also authorized the creation of an Advisory Committee on Petroleum Matters which has among other functions that of making the distribution among authorized importers of supplies assigned to Panama.

Transport and Communication

Air Travel Sets New Record.—Air travel in and out of Panama Canal-Zone, set a new record during the past year, states the Panamanian press. Approximately 80,000 passengers entered or left the air terminals of the Canal Zone during the year ended August 31, 1944.

August was the highest month in the history of aviation in the Canal Zone, with a total of 7,882 air passengers. In only 2 other months, May and July 1944, has the number of air passengers exceeded 7,000.

Peru

Transport and Communication

Highway Construction Progress.—The Peruvian Government placed emphasis on a highway construction program in 1943–44. From the annual message of the President of Peru comes the follow-

Supplies for Italy: What Is Being Done?

Leo T. Crowley, the Foreign Economic Administrator, issued the following statement several days ago:

In further execution of the policies with respect to Italy outlined jointly by the President and the British Prime Minister on September 26, a series of additional steps have been taken to aid the people of Italy to repair the devastation and damage caused by years of Fascist misrule and Nazi destruction and plundering.

Arrangements have been made to move to Italy on Government ships more than 3,000,000 pounds of clothing, shoes, and other essential supplies voluntarily contributed by the people of this country under the auspices of American Relief for Italy, Inc., the relief organization set up under the President's War Relief Control Board. Additional supplies of the same type amounting to about another 3,000,000 pounds have been collected and will be shipped as soon as military conditions permit. Transportation to Italy has been worked out by the Government for personnel to aid in the distribution of these supplies.

In addition to clothing the shipments include other vital supplies for Italy purchased by American Relief for Italy, Inc., out of contributions made to the National War Fund. These supplies consist of milk and other food for infants, vitamins, surgical instruments, cod-liver oil, ascorbic acid, brewer's yeast, and emergency medical kits.

Steps are being taken so that limited amounts of individual gift packages for relief may be sent to Italy. Detailed instructions will be issued by the Foreign Economic Administration in the near future on the waiver of export licenses for these gift packages.

Food shipments to Italy for September and October were stepped up. In these 2 months, for example, 87,000 tons of wheat and flour and 5,300 tons of sugar were scheduled for arrival. For October, November, and December of this year arrangements have been made for a sharp increase in the shipments of dried milk. The schedule calls for the arrival of more than 8,200,000 pounds of dried milk during these 3 months.

Other supplies to make it possible for the Italian people to help themselves and to contribute more toward the defeat of Germany and Japan are also under way. Such items as metal mine supplies, particularly those for lead which is vitally required for the war, are in process with the Allied allocating agencies and are awaiting clearance of the requisition by the Italian Government. The metal mine supplies involve more than 2,000 separate items.

ing data showing the progress made in the construction of roads.

In the southern area, work on the Urcos-Marcapata-Madre de Dios River highway which passes through the Marcapata gold field, has been extended from Quincemil. Puerto Maldonado has been fixed as its terminus. From there, the road is to pass through Iberia up to Inapari, frontier town on the Acre River near the borders of Brazil and Bolivia. On the section near Paucartambo toward Itahuania, which will complete the highway service to Maldonado, construction work has already overcome the Canyon of the Yanamayo River. This road is projected to the Tambopata River which will facilitate junction with Puerto Maldonado. Work on the principal highway toward Puno and Bolivia following the Chilean frontier—the Tacna-Tarata road—is being pushed.

Traffic on the Huanuco-Pucallpa road in the central region is becoming steadily heavier. For the purpose of avoiding dangers of rock slides in the Boqueron area, a variant has been built. The construction of the forest road Concepcion-Puerto Ocopa and the last section of the Satipo-Puerto Ocopa road is being completed. Considerable traffic has developed on the highway leading out of San Luis de Shuaro which now extends to the colonization zone of Oxapampa. The Tambo-Apurimac River road is under construction.

The Olmos-Rio Maranon highway in the northern area is completed from Chiclayo as far as Olmos, and work has been completed practically to the cities of Jaen and Bellavista on the Maranon. Surveys are being made or another branch which from the vicinity of Bellavista would follow the rich valley of the Utcubamba almost to Chachapoyas. This route is projected to Moyobamba and San Martin, which will give this area quick access to the Pacific.

Construction and improvements of other roads also are in progress in the various Departments. Maintenance and repair of highways connecting Bolivia, Cuzco, and Arequipa have received special attention.

Spain

Exchange and Finance

New 1-Peseta Coins Issued.—The Spanish Minister of Finance ordered on September 5 that new coins of 1-peseta denomination be placed in circulation beginnng October 1, 1944.

The new coins are to be distributed through the Bank of Spain and are made of copper (90 percent) and aluminum (10 percent).

Although the law of March 18, 1944, provided for the issuance of 150,000,000 of these 1-peseta coins, it is understood that only a small number of them will be ready for issuance on October 1.

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Syria and Lebanon

Economic Conditions

During the first half of 1944 business activity was adversely affected by the procedure involved in transferring the various vital economic services from French control to the local governments. Inflationary tendencies, as in 1943, continued strong, and certain wage and rent adjustments were authorized to offset the rise in commodity prices. The approved Lebanese budget estimates showed a considerable increase, and note circulation also expanded. Sales of gold to the public were suspended without any perceptible effect on gold prices. Early estimates indicate a smaller grain crop. Foreign trade in 1943 exceeded that of 1942 in both value and volume. Stricter control over foreign companies is foreseen in a proposal now before the Lebanese Parliament.

Vital Services Transferred to Local Governments

The Lebanese and Syrian Governments were preoccupied during the first half of 1944 with the important task of taking over the various services common to both States which were formerly handled by the French authorities. The apparent unpreparedness of the administrations of the respective States for the rather sudden termination of French control over these functions, which was hastened by political developments in November 1943, had an adverse effect on general business activity. Considerable delay, for example, was reported in submission of the lists of approved import licenses by the Lebanese Government to the Middle East Supply Center in Cairo, and other obvious difficulties were experienced as adequate mechanism was being set up to administer these vital services.

According to the agreement between the Syrian and Lebanese Governments, the services were divided into two groups. The first group included those to be administered jointly and the second included those to be operated separately. The former comprises the Customs Department, control of companies holding concessions in both countries, and the tobacco monoply. The latter consists of the Army, public security, gunpowder services, air-raid precautions, control of foreign educational institutions, Archaeological Department, broadcasting system, motor transport (including tires and oil), control of companies holding concessions in either Syria or the Lebanon,

Economic Affairs, and Posts and Telegraph.

The budget for these important functions, generally referred to as the common interests budget, amounted to 11,078,700 Syrian-Lebanese pounds in 1943 and 8,573,000 in 1942 with the bulk of the receipts normally originating from customs returns.

Joint Supply Council Established

Additional cooperation between the Lebanese and Syrian Governments is indicated in the creation of the Joint Supply Council. This council, which succeeded the Higher Supply Commission (abolished in February 1944), was established with a view to improving the system of procurement of supplies for both States, developing more efficient distribution, and maintaining effective price control. The functions of the council are purely advisory and its proposals and recommendations are submitted to the appropriate ministry of supply in each country for approval and execution. The council is composed of Syrian, Lebanese, American, British, and French representatives, but only the Syrian and Lebanese members have the right to make decisions, the others merely serving as observers and in an advisory capacity.

The following advisory boards have already been established under the council: (1) Agriculture; (2) Textile; (3) Paper; (4) Iron and Steel; (5) Miscellaneous; (6) Joint Medical; and (7) Transport. Two of these boards, the medical and the agricultural (formerly known as Joint Farm Machinery Board), were in existence in 1943.

The Transport Advisory Board has recently taken an active part in connection with distribution of tires. It has set up subcommittees in Beirut, Aleppo, and Damascus to screen all applications for tires. Motorcar traffic is the major form of transport in Syria and the Lebanon.

Price Trend Upward

The general price indexes continued to advance during the greater part of the first half of 1944, with a slight reaction noted toward the end of the period. The latter was attributed mainly to seasonal developments, such as surpluses of such commodities as fruits and vegetables. In June the cost-of-living index stood at 537 (first 6 months of 1939=100) as compared with 544 in April 1944 (high for first 6 months of this year) and 523 in January; the index in June 1943 was 419, while the range for 1943 was a low of 379 in January and a high of 500 in December.

The advance in wholesale prices was broader than that of retail prices. In May (latest available) the wholesale index (June 1939=100) registered 935 (high for first 5 months of 1944) as against 922 in April and 898 in January; in June 1943 the index was 860, as contrasted with a low for 1943 of 762 in January and a high of 901 in December.

With a view to checking the steady rise in the price of clothing materials, the respective ministries of supply in Syria and the Lebanon placed all woolen and silk textiles under government control in the first quarter of 1944, and reserved the right to purchase at cost price 15 percent of all such imports. The Governments announced their intention to sell to the public the commodities thus acquired against special coupons. The clothing component of the cost-of-living index has shown a much greater advance than any of the other components of this index.

Rent and Wage Adjustments

In order to bring rentals more in line with other price indexes, the Parliaments of Syria and the Lebanon passed laws on December 27, 1943, and February 28, 1944, respectively, approving increases in existing scales; in Syria the increases varied from 10 to 100 percent of the 1943 level, and in the Lebanon from 10 to 40 percent.

Wage adjustments for Government employees were also approved by the Lebanese Parliament in view of the steady rise in living costs. Legislation is pending on increases for employees in private enterprises.

Stricter Domestic Control Over Foreign Companies Foreseen

On May 22, 1944, a bill was submitted to the Lebanese Parliament amending the requirements covering the registration of joint stock companies, which are at present required only to register a copy of their charter with a notary public. As the following provisions indicate, the bill proposes, in general, for greater representation of Lebanese nationals on the operating boards of foreign joint stock companies: (1) Such companies must have their head office in Lebanese territory; (2) the company must be considered as Lebanese regardless of its previous status; (3) more than half of the board of directors shall be of Lebanese nationality including the president, the manager, and managing director; (4) shareholders who are absent from a general meeting can be represented only by Lebanese shareholders; and (5) a period of 3 months is given to allow joint stock companies established in this country to comply with the provisions of this law.

Smaller Grain Crop Anticipated

Although official reports are not available, general estimates place the 1944 cereal yield at approximately 20 percent below the record crop of 1943. This decrease is attributed chiefly to unfavorable conditions, as there was a considerable increase in acreage planted. The principal features of the 1943 grain collection plan are being retained during the current year; they provide briefly that quantities in excess of amounts required by producers for food, seed, and fodder must

United Nations Standards Organizing Committee

Marking the first step in resumption of international standardization work halted by the war, the newly organized United Nations Standards Organizing Committee opened a New York office 5 days ago—on October 16—according to an announcement made by the American Standards Association at the request of the Committee.

In order to carry out its work effectively, the Committee will maintain two offices—one in London, at the base of European operations—and one in New York, since so many of the war and relief supplies come from this side of the Atlantic. The London office is already operating under the direction of Charles C. LeMaistre, former Director of the British Standards Institution. The New York office, located at 70 East 45th Street, is to be in charge of a man of wide experience in standardization work in national and international fields. Each office will work with a certain group of countries, and each will keep the other in close touch with its activities.

The purpose of this new United Nations Standards Committee is to "spark-plug" cooperation between the Allied belligerent countries in standardization matters as an aid to production and use of war supplies and equipment and also in relief work. It seeks to secure the maximum possible coordination of standards necessary for the war effort and for the immediate post-war period.

Planning for this new international Committee has been done at a series of international meetings in Washington, New York, Toronto, and London. The most recent ones took place in London on August 29 and September 8. The London meetings were attended by delegates from Australia, Canada, Great Britain, New Zealand, and the United States, and by a Russian observer. South Africa, while not able to attend the meetings in London, has already expressed its intention of joining the United Nations Standards Committee and helping support it. Invitations to join have been issued to Mexico, Brazil, and China.

The Committee is set up to operate for a period of 2 years, with review of the need at the end of that time. Participation in the work during that time will be open to the national standardizing bodies of such of the United Nations as may desire to participate in and support the work.

Among the first jobs that the new United Nations Standards Committee has been requested to undertake are: (1) Work on building materials and equipment requested by the Industrial Rehabilitation Division of the UNRRA; (2) standardization of flat-bottom rails needed to rebuild the heavily damaged transportation systems of France and the other occupied countries, as suggested by the Inter-Allied Transportation Committee; (3) a project for the suppression of radio interference, suggested by the British Standards Institution.

be delivered to the collection centers established by the Office of Bread Cereals where they are purchased at fixed prices.

Foreign Trade Larger

Data on foreign trade for 1943 indicate an expansion over 1942, although the turn-over is still considerably below prewar levels. Imports totaled 428,483 metric tons, valued at 110,137,000 Syrian-Lebanese pounds as compared with 361,960 and 104,562,000, respectively, in 1942; exports amounted to 52,821 metric tons, valued at 32,031,000 pounds, against 23,781 and 23,753,000, respectively. The official authorities continued to exercise close control over foreign trade, while a further shift of commerce from prewar areas to Middle East and sterling countries was indicated under operations supervised by the Middle East Supply Center in Cairo.

Public Works Program Adopted

In preparation for the rise in unemployment that is expected to result from the completion of Allied military projects, the Lebanese Government approved a 5-year national reconstruction plan. Appropriations for the projects under this plan are to be on an annual basis. The budget for the first year's work, as recently passed by Parliament, provides for a total of 11,815,000 Syrian-Lebanese pounds, to be utilized as follows: Restoration of Beit-Eddin Palace, 500,000 pounds; embellishment of Beirut and Tripoli, 1,500,000; irrigation works, 1,660,050; schools (buildings), 332,475; highways, 7,135,425; surveys and transportation, 687,050. The funds to cover these outlays are expected to be derived from the following sources: excess-profit tax, 4,215,000; reserve fund, 4,100,000; common-interests fund, 2,000,000; and national-lottery proceeds, 1,500,000.

Exchange and Finance

Lebanese Budget Larger.—As passed by Parliament and signed by the President on June 7, 1944, the Lebanese budget for 1944 totaled 34,024,000 Syrian-Lebanese pounds as contrasted with 21,420,000 in 1943. The largest appropriations are for the Ministry of Interior 7,917,241 (increase of 2,799,543 over 1943); Ministry of Public works 7,800,668 (3,357,063 more); reserve funds for emergency 3,101,112 (2,969,843 more). The other allotments include 2,653,569 pounds for the Ministry of Education; 1,833,746 for Ministry of Justice; 1,649,858 for Ministry of Hygiene and Public Assistance; 1,494,448 for Public Debt; and 1,326,758 for Posts and Telegraphs. At the close of the quarter the Syrian budget was still under discussion.

According to the provisions of the new budget, approximately 12,000,000 Syrian-Lebanese pounds are anticipated from excess-profit taxes. The Lebanese Parliament is also considering an income-tax law, ranging from 4 to 25 percent, with an exemption of 1,500 pounds. Syria already has an income-tax law.

Note Circulation Rises.—There was an irregular increase in note circulation during the current period, the total in June reaching 285,000,000 Syrian-Lebanese pounds as compared with 272,000,000 in January 1944; the respective figures for 1943 were 219,250,000 and 196,000,000, compared with a high for the year of 289,000,000 (in October). The gain in 1944 was ascribed chiefly to seasonal purchases of wool and advances to farmers for wheat purchases by official organizations.

Gold Sales Suspended.—The sale of gold to the public, which was inaugurated in August 1943 primarily as an anti-inflationary measure, was suspended in June 1944. This action had only a temporary effect on gold prices; following the announcement the gold sovereign, which had averaged 45.285 Syrian-Lebanese pounds in the first quarter and 43.40 in the second quarter of 1944, rose to 50, but subsequently reacted to 45.

Exchange Control Continued.—Strict supervision over foreign exchange was maintained during the period under review. The granting of foreign exchange, particularly dollars, was limited to payments for very essential import needs. The rate of the Syrian-Lebanese pound was fixed at 8.83 pounds to the pound sterling, or approximately 46 cents, under the Anglo-French Financial Agreement concluded at Algiers in February 1944.

Additional Bank Facilities Provided.—Existing banking facilities were expanded during the period under review with the establishment in Beirut on February 1, 1944, of a branch of the Arab Bank, Ltd., which had previously opened a branch in Damascus on December 12, 1943. This bank, whose head office is in Jerusalem, Palestine, does a general banking business and now has eight branches, four in Palestine, two in Trans-Jordan, one in Syria, and one in Lebanon.

A bank under the title of Banque Nationale Pour le Commerce et l'Industrie (Afrique), with the main office in Algiers, was also opened in Beirut on February 1, 1944.

Liberated Areas' Commodity Requirements: Policy of the "Combined Boards"

Frederick M. Eaton, U. S. Deputy Member and representative on the Combined Raw Materials Board and the Combined Production and Resources Board, recently made the following statement with respect to the general procedure in the matter of the requirements of liberated regions:

"On the question of liberated-area requirements, the member governments entered into an agreement at Atlantic City just a year ago that the requirements for liberated areas would be presented to the Combined Boards for a determination of availability and sources of supply consistent with other claims on our combined resources. The Boards are currently performing this work and will continue it after the end of the German war.

"Requirements are developed by the United Nations Relief and Rehabilitation Administration and by the governments of the various liberated areas. These requirements are placed before the Boards. The Boards take a quick look at the items involved. As to those items, the production or procurement of which would not interfere with war needs, the Boards immediately advise the claimants to go ahead with procurement wherever they choose, whether in this country or abroad. No recommendations as to specific sources of supply are made.

"On the other hand, there are certain items which are so badly needed for war production that the Boards have to say that there are no supplies available to meet relief needs. Finally there are certain items of which there is sufficient supply to meet minimum needs of the liberated areas without interfering with the war program *provided* their procurement is geared in closely with our own and that of the British and the Canadians. On these, the Boards, after consultation with the national supply agencies and oftentimes with United Nations Relief and Rehabilitation Administration and the Allied governments, recommend specific sources of supply. The number of items for which source allocation will be required to meet liberated-area demands will diminish with the end of hostilities in Europe."

Uruguay

Tariffs and Trade Controls

Committee Appointed to Revise Customs Tariff Law.—A committee was set up in Uruguay to draft a new general customs tariff law by decree No. 220944 dated July 28, 1944, published in the Diario Oficial of August 5, 1944.

The customs tariff law is to incorporate all the laws in force on the subject from January 5, 1888, to the present, and to revise the nomenclature in accordance with the decree of April 2, 1934, so as to adapt it to the duties to be established in the proposed customs law. It will follow the general principles laid down by the previous decree with the aim of simplification.

This committee has been given a year in which to accomplish this task.

[For announcement concerning the decree of April 2, 1934, see Commerce Reports of June 23, 1934.]

Photographic Cameras, Optical and Other Scientific Instruments; Exportation Prohibited.—Photographic machines, theodolites, tachymeters, prismatic and telemetric lenses, sextants, alidade levels, stereoscopic alidades, opti-

(Continued on p. 49)

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News by COMMODITIES

Automotive Products

Registration of Vehicles, Ontario, Canada

Registration of passenger cars in Ontario, Canada, dropped 2.2 percent from June 30, 1943, to June 30, 1944, but registration of commercial vehicles increased 4.7 percent.

Chemicals

Production of Glue in Brazil

Production of glue in the States of Sao Paulo, Mato Grosso, Goiaz, and Minas Gerais, Brazil, varies according to the amount of gelatinous material available from the slaughterhouses. The largest output in recent years was in 1941, when production was valued at $3,500,000. In 1943 the value was only about half that figure, and production during the first 3 months of 1944 was small.

Glue is made in the Sao Paulo region by four types of producers—packing houses, tanning yards, fertilizer factories, and glue factories. By far the greater part comes from the latter two. A large percentage of the glue made in this district is consumed in Brazil. Imports are relatively small.

Nitrocellulose in Brazil

The output of the Companhia Nitro Química Brasileira, important Sao Paulo manufacturers of nitrocellulose rayon, normally is sufficient to supply Brazil's requirements of nitrocellulose, used in the production of lacquers, dopes, artificial leather and oilcloth, coatings for cellophane, shoe adhesives, and other products, but, because of heavy Government orders for nitrocotton, supplies of base materials for nitrocellulose are considerably reduced. A significant increase in the consumption of nitrocellulose has resulted from the domestic production of artificial leather.

Several firms manufacture nitrocellulose lacquers, the output of which is expected to rise appreciably in the postwar period. Trade sources estimate that Brazil's consumption of aromatic solvents and thinners will be about 900,000 gallons annually.

Brazilian Output of Salt

Brazil's 933 salt plants had an output of 694,121 tons in 1943, valued at 27,309,000 cruzeiros, a substantial increase above the preceding year's production of 398,533 tons, valued at 15,039,000 cruzeiros, states the press.

Brazilian salt is of high quality. Salt from Rio Grande do Norte contains 98 percent sodium chloride and that from the State of Rio de Janeiro, 96 percent.

Annual consumption of salt in Brazil is now about 600,000 tons annually, an amount that is expected to increase when transportation difficulties are overcome.

Sulfur Consumption, Sao Paulo, Brazil

An increasing share of the demand for sulfur in the Sao Paulo district, Brazil, is supplied by the United States, and post-war market prospects are considered favorable.

Sulfur is used principally in the production of sulfuric acid and carbon bisulfide and in paper and rubber manufacture. With the expansion of these and other industries, the demand for sulfur can be expected to increase.

Sulfur consumption in Sao Paulo has shown a steady upward trend in recent years, more than doubling in the period 1938–43. Sicily was formerly the chief supplier, but has been replaced by the United States and Chile. Partly because of war conditions, the United States has had a dominant place in the market, especially since 1941. However, it is believed that the present position can be maintained in the post-war period because of the good quality and reasonable price of the United States product.

A monthly average consumption of 1,846,024 kilograms of sulfur is shown for the Sao Paulo area during 1943 by statistics of Setor da Produção Industrial. Consumers in the States of Sao Paulo, Parana, Mato Grosso, Goiäz, and parts of Minas Gerais and Santa Catarina are included, but the bulk of the consumption is in the State of Sao Paulo, particularly in the capital city. The rate for the current year is believed to be considerably higher than the 1943 average.

The predominant role of the Sao Paulo district in total Brazilian consumption of sulfur is shown by a comparison with the Rio de Janeiro and Porto Alegre areas. Sao Paulo's monthly consumption of 1,846,024 kilograms accounts for 86 percent of the total for Brazil. The Rio de Janeiro region averages 222,485 kilograms monthly or 10 percent, while Porto Alegre, with 83,220 kilograms, takes 4 percent.

End-use distribution indicates that approximately 60 percent of the sulfur consumed in the Sao Paulo district goes into the manufacture of sulfuric acid, 10 percent is used by the paper and cellulose industries, while the production of carbon bisulfide takes 9 percent. Sugar mills, the rubber industry, and various other industries account for the remaining 21 percent. The consumption pattern in the Rio de Janeiro area shows a more equal division used in the manufacture of sulfuric acid and by sugar mills—31 and 25 percent, respectively—than in the Sao Paulo district—60 and 5 percent, respectively.

Sulfuric-acid production in Sao Paulo has increased progressively from 21,676 metric tons in 1938 to 36,669 in 1943. Present output approximates 120 tons daily, or 43,000 tons annually. This amount will be increased eventually by additional installations now under construction or projected. Although wartime needs have helped to stimulate output, it is believed that a permanent trend toward increased production of sulfuric acid now exists. Industrial expansion, particularly the manufacture of fertilizers (superphosphate) and aluminum sulfate, will be important to the future of the sulfur and sulfuric-acid markets.

Developments in Canadian Chemical Industry

Recent experiments in Quebec, Canada, on the use of lignin extract as a stabilizing material in road construction are promising, a foreign trade publication reports.

Lignin, which is an abundant byproduct of the pulp and paper industry, has been largely a waste material, although some was exported to the United Kingdom for use as a binder in foundry and other industrial operations. Lignin's first use on roads was to reduce dust, but intensive investigations have been made since the war on its possibilities for road work.

Under the method developed by the Quebec Department of Roads, the lignin extract in powder form is mixed with gravel and clay, and the mixture, spread in layers, is then consolidated by rollers. Lignin has been found to increase the binding power of the clay to about one-third of the tensile and sheer strength of concrete, making a firm and semipermanent mat. To secure an impervious and good-wearing surface, the mat must be covered with tar or asphalt, but the addition of the lignin stabilizer per-

Sawdust To Help Meet Fuel Problems?

Kiln-dried hemlock sawdust is considered a possibility to aid in the efforts of Vancouver (British Columbia) to meet fuel problems caused by war conditions, says a Canadian lumber journal.

Experiments now being conducted with special drying equipment in sawmills on the west coast of the United States are being watched closely, it is stated, and, if they are successful, similar equipment will be installed in British Columbia.

The moisture content of hemlock has made it unsatisfactory for home use, but if it can be dried sufficiently, it offers an alternative to fir sawdust, which is not available in quantities sufficient to meet consumer demand.

mits the thickness of the base course to be decreased, saving large quantities of gravel. Also, less asphalt is said to be required for covering when the mat is stabilized by the lignin binder.

Production of industrial alcohol in Canada reached the record total of 14,550,000 gallons in 1943, according to a foreign chemical journal. Of this amount, 6,500,000 gallons were exported to the United States. Plans for more extensive post-war use of alcohol in Canada are under consideration.

A new method for the production of ethylene oxide has been developed in Canada by chemists of the National Research Council, using direct oxidation of ethylene with air, according to a foreign chemical journal. With this process, gases low in ethylene can be used successfully, which should permit a substantial lowering of production costs of ethylene oxide, glycol, and other derivatives. Investigations are to be made on a pilot-plant scale. Ethylene oxide is not manufactured in Canada at present.

Most of the output of oxalic acid from the large-scale pilot plant built by the Canadian Aniline & Extract Co., Ltd., will be used by the firm in its own line of textile chemicals, a foreign trade magazine reports. A modified sawdust process is employed.

It is expected that a larger plant will be erected eventually, which will be of all-ceramic construction, costing about $150,000. Oxalic acid has not been manufactured previously in the Dominion. Imports in 1942, entirely from the United States, amounted to 475,000 pounds.

Chemical fertilizers sold in Ontario in 1943 amounted to 159,713 tons, or more than one-third of the Dominion total of 456,219 tons, according to a Canadian trade publication. Nitrogen content for the Province was 6,294,640 pounds, while phosphoric acid totaled 36,571,460 pounds, and potash, 24,529,180 pounds.

A plant for the production of high-coefficient tar-acid disinfectants has been established in Toronto, according to a foreign chemical journal. These products formerly were imported, principally from the United Kingdom, although a concern in Montreal has manufactured some lower-coefficient materials for several years.

New Nitrate Plant, Chile

The Chilean nitrate plant being constructed by the Tarapaca & Antofagasta Nitrate Co. will cost approximately $12,000,000, a foreign chemical journal reports.

Fully mechanized, the plant will use the same types of mining and refining processes employed at other nitrate plants in Chile, but the finished product will be in the form of crystals rather than pellets.

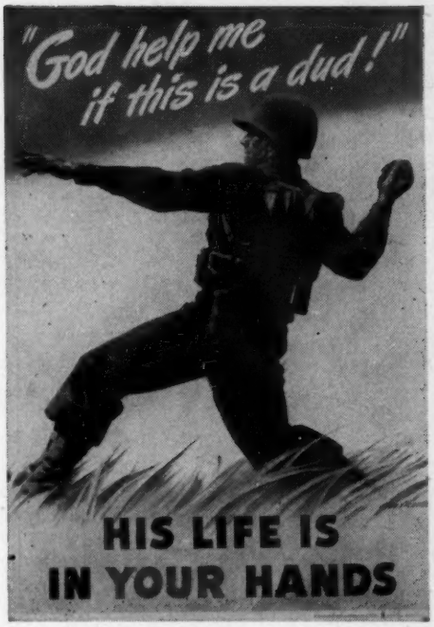
Chemical Production in India

India's chemical production is more than double the pre-war figure, according to the Director of Scientific and Industrial Research.

Annual output of sulfuric acid now totals 80,000 tons and soda ash about 56,000 tons. Caustic-soda production amounts to 4,500 tons yearly; chlorine, 2,600 tons; chlorosulfonic acid, about 15 tons; and formaldehyde, about 60 tons.

Coal-tar output has risen to 80,000 tons. Of this amount, almost 40,000 tons are distilled, from which naphthalene anthacene, benzine, toluene, and phenol are recovered.

Other chemicals now made in India include potassium chloride, potassium chlorate, barium chloride, bromine, sodium sulfate, sodium sulfide, and bichromates.



Ordnance Dept., U. S. Army

Imports of Chemicals, Dominican Republic

The Dominican Republic's imports of chemical and pharmaceutical products amounted to $996,627 in 1943. Imports of these products in the first quarter of 1944 totaled $213,332.

Kenya's Pyrethrum Production

Pyrethrum production in Kenya in 1943 totaled 4,107 tons, a decrease from the preceding 3 years, according to the British press. However, after being seriously affected by drought, pyrethrum recovered toward the end of 1943 and the pyrethrin content then was at a high level. During the year 300 samples of pyrethrum were analyzed.

About 50,000 acres are now planted to this crop in Kenya.

Plastics Industry, Union of South Africa

The plastics industry is progressing gradually in South Africa, states a European trade publication. Plastic containers for the cosmetic and chemical industries are being produced, and a factory in the Transvaal has developed a new paint containing synthetic resins which is suitable for interior work.

A plastic made in Capetown from sawdust and other materials is claimed to be suitable for making door and window frames, floor tiles, and moldings, and can be nailed and screwed like wood. The finished products are as inexpensive to manufacture as wood or metal goods of the same type, it is said, and the material is impervious to moisture and not affected by climate.

Pyrethrum Cultivation in Peru

Pyrethrum cultivation in Peru is concentrated in the Huancayo region, which has 80 percent of the total acreage. Other producing areas are Huanuco, Ayacucho, Apurimac, and Cuzco. Total plantings amount to 80 hectares (1 hectare=2.47 acres).

Promotion of this crop in the sierra region of Peru, which is well adapted to its cultivation, is expected to contribute to the economic improvement of the district.

Arsenic Compounds Used in Preserving Woods, Sweden

Boliden Mining Co., Sweden, has developed a new method of preserving wood by impregnation with arsenic compounds, a European chemical magazine reports.

The process already has been used extensively in Sweden, about 5,000,000 cubic feet being treated annually. In air or water, wood treated by this method is claimed to have three times the durability of untreated wood.

South African Production of Carbon From Wattle Wood

A method has been developed for the production of highly activated carbon from wattle wood by the South African Fuel Research Institute at Pretoria, South Africa, according to the foreign press.

The process was designed to provide an absorbent which could replace bentonite, now in short supply, in the regeneration of used lubricating oils.

Chemical Production, U. S. S. R.

The value of chemical production in the Soviet Union in July 1944 exceeded considerably the plan for the month, states the press. Output in basic branches of the industry, such as those producing nitrogen, soda products, organic materials, and dyes is increasing steadily. The reconstructed Donets and Slavyansk soda plants, as well as the Berezniki plant, produced more than the amounts scheduled.

Among organic-chemical enterprises, Dorogomilov Chemical Plant ranked first, having exceeded its July plan by 12 percent and increased its output of dyes by 8 percent.

Tests of a method for producing foundry concentrates from sulfite-pulp wastes were made at a plant built on a semi-industrial scale in 1940, according to the Soviet press. A large plant in Archangel, when operating at capacity, reportedly can produce substitutes for 25,000 tons of vegetable oil per year.

Construction

Panama Girls' School To Have Gymnasium

The contract for a $22,467 gymnasium at the Panama Professional Girls' School was recently awarded by the Controller

Brazil's Diamond-Cutting Industry Today

Prior to the beginning of the present war in 1939, Brazil sent its diamonds to Europe to be cut for commercial and industrial purposes. But right after the beginning of hostilities many diamond cutters, particularly those from Belgium and the Netherlands, migrated to Brazil where they started factories employing Brazilian workers (usually boys and young men), says a statement by the Brazilian Government Trade Bureau. In 1942 there were more than 4,000 trained Brazilian cutters, who produced work of such quality that it met required standards.

In accordance with an agreement made several years ago between Brazil and this country, the United States is the only country receiving Brazilian industrial diamonds.

The establishment and development of this industry has decisively improved Brazilian economy, says the Brazilian Trade Bureau, because the difference in price between rough diamonds and cut diamonds remains in the country.

At a recent meeting of an American jewelers' association, it was stated that "after New York, Palestine now occupies first place in the cutting of single-cut diamonds, with Cuba and Brazil following." The speaker (notes the Brazilian bureau) predicted that the Brazilian diamond industry would be a strong factor after the war in view of the fact that diamonds are mined in Brazil and cut by refugee cutters who are also training Brazilians.

General of the Republic of Panama to a private building concern. The project is being sponsored by the Ministry of Education.

Canals in Armenia, U. S. S. R.

A total of 6 large and 20 small canals are being constructed in Armenia, Soviet Russia, which will total 200 kilometers, according to the Soviet press. One of these, the Talin Canal, will irrigate 30,000 hectares of arid land. The new canal in Artik raion (district), which is 7.5 kilometers long, was recently completed.

El Silencio—Building Project in Venezuela

El Silencio, one of the largest building projects now in progress in Venezuela, includes seven apartment houses in the downtown section of Caracas which will accommodate more than 6,000 people. The first unit of 90 apartments was made available in July, and it was reported in September that a second block was expected to be finished within 2 or 3 weeks. The entire project is expected to be completed by the end of 1946.

Monthly rentals of two-, three-, and four-bedroom apartments are $30, $40, and $50, respectively, and are in the range of all except unskilled laborers. Parks, playgrounds, and a cooperative store are conveniently located.

Electrical Machinery and Equipment

Credit Opened for Commission, Brazil

A special credit of 1,200,000 cruzeiros was created on September 15 by the Brazilian Government for the Electric Material Industry Commission, an organization established by law on August 25, 1944. The credit is to be used at the discretion of the Commission to defray initial office, personnel, and traveling expenses.

Hydroelectric Project in Colombia

Work on the Anchicaya hydroelectric project in Colombia has been impeded by a lack of funds. About $2,578,000 is needed to install the first 20,000 kilowatts in this plant which will eventually have a 45,000-kilowatt generating capacity. The city of Cali will be supplied with power from this project.

Electricity on Farms in Estonia

In Estonia 3,000 farms have been included in the electric-supply network during the war, according to German-controlled press reports.

Consumption of Electricity, Panama

Electricity consumed in the city of Panama, Panama, during the first 6 months of 1944 amounted to 15,051,000 kilowatt-hours, an increase of approximately 10 percent above the 13,589,000 kilowatt-hours used in the corresponding months of 1943. Figures for the city of Colon show that 5,623,000 kilowatt-hours were used in the January to June period of 1944 as compared with 4,930,000 in the 1943 period.

Distribution of electric-current consumption for the first half of 1944 was as follows:

[In kilowatt-hours]

Group	Panama	Colon
Residential	4,713,800	2,030,800
Commercial	4,422,800	1,732,000
Industrial	4,106,800	1,121,300
Governmental	1,211,800	270,100
Miscellaneous	596,600	469,300

The recent lifting of dim-out restrictions in the two cities is expected to result in further increases in the consumption of electricity during the last half of 1944.

Foodstuffs and Allied Products

Baking Powder in Sweden

Previous to the war, a large part of Swedish baking-powder requirements were supplied by the United States. Since the beginning of the war, however, Sweden has been importing soda from Germany and German-occupied areas and manufacturing baking powder in rapidly increasing quantities.

The Swedish industrial directory lists 13 manufacturers of baking powder, and trade sources indicate that the 4 most important firms are: A/B Chokladfabriken Marabou, Sundbyberg; Malmo choklad och Konfektfabrika A/B, Malmo; A/B Orebro Kemisk Teknisk Fabrik, Orebro; and Kooperative Forbundet (Cooperative Union) Kemisk Teknisk Fabrik, Malmo. Some of these companies have engaged in intensive advertising during the war, and their products are becoming well established on the Swedish market.

United States baking powder still maintains its pre-war reputation for quality in Sweden, and, while United States manufacturers should experience no difficulty in reentering the market in the post-war period, they should be prepared to face sharp domestic completion.

Coffee and Cocoa

Cocoa Situation at Bahia, Brazil

The Cocoa Institute of Bahia, Brazil, reported that the intermediate cocoa crop, extending from May until September, would amount to between 700,000 and 800,000 bags of 60 kilograms each and that the total crop might not reach 2,000,000 bags. A disease known as brown rot, causing extensive damage to the cocoa fruit in some districts, was expected to decline with drier weather.

Arrivals of cocoa at the port of Bahia in August 1944 totaled 124,247 bags, as compared with 149,117 bags in August 1943.

Stocks of cocoa at Bahia at the end of August 1944 amounted to 120,699 bags as against 239,743 bags at the end of August 1943.

The Institute closed a new contract with the United States during the month under review for 300,000 bags of cocoa beans at 8.25 cents a pound, which is higher than previous sales to the United States from the 1944–45 crop. This price, contrary to the Institute's custom, includes no commission for its representative in the United States.

Colombian Coffee Crop

Harvesting of the 1944–45 coffee crop of the Department of Santander, Colombia, began about the middle of August. The crop was estimated to amount to about 160,000 sacks of 60 kilograms, the largest in that Department since 1941–42.

Cocoa Exports from Panama

While the quantity of cocoa exported from the Republic of Panama during the second quarter of 1944 was lower than for the corresponding quarter of 1943—

565.975 kilograms (1 kilogram=2.2046 pounds) as compared with 611,253 kilograms—the value was greater—$95,420 as against $80,766.

Cocoa exports during the first quarter of 1944 amounted to 710,977 kilograms, valued at $122,406.

Fish and Products

British Columbia (Canada) Salmon Pack

The British Columbia (Canada) salmon pack as of September 9, 1944, amounted to 854,366 cases of 48 pounds, compared with 911,133 cases on the corresponding date in 1943, according to the Chief Supervisor of Fisheries in Vancouver. It was estimated early in the season that the total 1944 pack would amount to approximately 1,500,000 cases but later it was expected not to exceed 1,250,000 cases.

During the war the entire British Columbia canned-salmon pack has been shipped to the United Kingdom with the exception of 1943 when 200,000 cases were allocated to the domestic market. A tentative figure of 300,000 cases was made for the domestic market this year, but as a result of the small pack this figure may be reduced by 100,000 cases.

Chilean Fish Catch

The Chilean fish catch in the first 6 months of 1944 amounted to 23,138,834 kilograms (1 kilogram=2.2046 pounds), according to the Coordinating Committee of the National Fish Industry, a gain of 26 percent above the 18,323,775 kilograms caught in the corresponding period of 1943.

Freezing and Dehydration of Herring (Scotland), U. K.

Experimental plants for the freezing and dehydration of herring have been set up at Aberdeen, Scotland, United Kingdom, by the British Ministry of Food. This was done in order to utilize the season's herring catch which was greatly in excess of immediate consumption. It is reported that 65 long tons of herring have been frozen at one plant and an even larger quantity dehydrated at the other plant.

Fruits and Vegetables

Exports of Bananas and Tomatoes, East Canary Islands

The volume of exports of bananas from the East Canary Islands in the second quarter of 1944 was reported to be highly satisfactory. Continental Spain, practically the only present outlet, took large quantities.

Aggregate banana exports from Las Palmas de Gran Canaria in the second quarter of 1944 reportedly amounted to 666,796 bunches compared with 395,848 bunches in the corresponding period of 1943.

Because of the shortage of staple foods, substantial amounts of bananas which would otherwise have been exported were retained in the Islands. The percentages of bananas kept from export in April, May, and June were 24.25, 17.47, and 23.96, respectively.

Exports of tomatoes from the East Canary Islands in the second quarter of 1944 amounted to about 620,268 baskets of 12 kilograms net (1 kilogram=2.2046 pounds) as compared with 472,702 baskets in the corresponding period of 1943, according to a commercial source.

Banana exports from the Republic of Panama in the second quarter of 1944 amounted to only 114,599 stems as compared with 450,494 stems in the corresponding period of 1943, according to the Estadística Panamena. The first shipment of bananas from Panama to the United States in 1944 was made in May.

Peruvian Production of Oranges and Dates

For many years oranges were grown on a small scale in Peru, but during the past decade plantings have increased. About 20,000 new trees were estimated to have been set out in 1943.

Oranges are produced in the river valleys along the coast and on the slopes and valleys east of the Andes. In many instances on small holdings orange trees have been planted too close together to obtain good results. On the large plantations the trees are planted approximately 10 to 12 meters apart. Some of the growers spray and prune their trees. Irrigation is necessary on the coast, while in the regions east of the mountains rainfall provides enough moisture.

About 200,000 boxes of oranges, weighing 42 pounds each, are produced each year, according to a trade estimate. The entire production is consumed within the country.

Oranges are imported regularly from Ecuador and occasionally from the United States. In 1943 imports from Ecuador amounted to 58,000 boxes. As soon as the new trees come into production, Peru probably will have enough of the fruit to supply its own market and a surplus for export.

The principal date-growing region of Peru is in the comparatively level desert area known as Pampa de Chunchanga, located between the coastal town of Pisco and the town of Ica, which is about 40 miles inland.

The palms flower in October, and the fruit is harvested in May or June when the fresh domestic fruit appears on the Lima market. The trees receive no care, and labor is employed only for harvesting the fruit. There does not appear to be any incentive to expand the production. The crop from the trees, which are now in a semiwild state, will continue to be collected, but probably little effort will be made to improve varieties or make new plantings as long as greater profits are obtainable from growing cotton.

There are no standard varieties, and, since the palms have been developed from seedlings during the centuries, many strains of fruit of various colors, shapes, and sizes exist. Apparently, no attention is paid to uniformity or quality when purchasing domestic dates.

The output of dates is not sufficient to meet domestic needs in Peru, except for a short time immediately following the harvest. No exports have been reported since 1930. Prior to that year small quantities were shipped to Chile and Bolivia. Some dates are imported each year. In 1937 they amounted to 7,550 kilograms (1 kilogram=2.2046 pounds) and in 1941, 4,957 kilograms. Imports in the last few years have been small—561 kilograms in 1942 and 20 kilograms in 1943.

Sweden's Potato Crop

Sweden's 1944 potato crop is estimated at 1,770,000 metric tons, which is about 19 percent less than the unusually large 1943 crop, but only 5 percent below the average for the 10-year period 1930–39.

Grains and Products

Guatemalan Output of Wheat and Flour

The highland sections are the main wheat-producing regions of Guatemala. Practically all the wheat is of the native or criollo types and of the soft variety. The yield per acre is low. Official figures of the Guatemalan Department of Agriculture show a yield of from 12 to 20 quintals (1 Spanish quintal=101.43 pounds) per manzana (the manzana is

Just a Nazi "Bubenstück"!

The footwear situation in Estonia (before the reoccupation by the Soviet forces) was not unlike the situation in other occupied countries where all available materials were confiscated by the invading Nazi armies. As early as 1941, purchase licenses were introduced for footwear, and quotas were cut to a minimum.

As an example of the severity of the restrictions, even though the 4,000 inhabitants of the Estonian community of Konnu delivered to the authorities an average quota of 150 cattle yearly during the 3 years 1941–43, they were issued purchase licenses for only 1,200 pairs of footwear in that period. These licenses included rubber shoes, slippers, leather sandals, and clogs; only slightly more than 200 pairs were leather boots, shoes, and top boots.

During the winter of 1941 the German Army on the Eastern Front found itself in a bad situation for lack of warm footwear. Circulars were immediately dispatched to every Estonian community administration promising that each person who gave up a pair of serviceable felt boots to the German Army would receive a new pair of such boots in the summer of 1942. The little community of Konnu collected 80 pairs and delivered them against special receipts. As of June 1944 *no new boots had been received.*

equivalent to 1.738 acres) or from 11 to 19 bushels per acre. These figures are considered high by the trade, who estimate the average yield at from 5 to 8 bushels per acre.

During the past 10 years production has increased substantially. In the 1942–43 crop year it amounted to 505,011 quintals, or approximately 850,000 bushels, as compared with 114,000 quintals, or roughly 190,000 bushels, in the 1932–33 crop year, according to official statistics.

Local flour mills use domestic wheat exclusively. The wheat crop is not sufficient to guarantee them capacity production, however, and their output of flour supplies only about 40 percent of the country's demands.

In general, wheat is not produced on large tracts where machinery could be used to advantage but is grown on small, frequently hilly tracts of land, ranging in size from 2 to 65 acres, and is cultivated by hand. A few larger farms are in operation where more scientific methods of cultivation are employed and where imported seed has been used at times. A portion of each crop is set aside for seed, the best grain usually being selected for planting. However, the quality of the seed is variable, and this, together with the fact that the hoe is the chief implement used in cultivation, is considered mainly responsible for the low yield per acre.

Corn is the staple food of from 60 to 70 percent of the population of Guatemala; the consumption of wheat is limited chiefly to cities and sections having a foreign population. The average per capita consumption of wheat flour for the entire country does not exceed 20 pounds per year.

Imports of wheat into Guatemala have so far been insignificant. Prior to 1933 one mill is said to have imported wheat for milling locally, and, according to the official Guatemalan statistics for 1933–34, approximately 1,200 quintals of imported wheat were milled. Since that time imports have been limited to an occasional small shipment of wheat for planting.

The Guatemalan Government has for some years been attempting to encourage wheat growers to increase and improve their crop. Seed has been imported for distribution among farmers, and the Department of Agriculture has issued pamphlets explaining crop rotation, use of fertilizer, and the importance of cultivation methods. However, as the wheat farmers are largely Indians, who own only small plots of ground and have no surplus funds for the purchase of imported seed, fertilizers, and equipment, progress in the improvement of the crop has necessarily been slow.

Prospects for increased use of machinery in wheat production in Guatemala are not particularly favorable. A limited demand will exist for the smaller pieces of equipment on a fairly steady basis, but the Indian growers cannot be considered as potential customers for tractors, disc plows, and similar equipment.

Wheat and Flour Production, Chile

Chile produces from 7,500,000 to 9,500,000 metric quintals of wheat (1 metric quintal=220.46 pounds) each year and is South America's second largest wheat-producing country. Production and sale of wheat is under the control of the Wheat Department of the Institute of Agricultural Economy.

Chile is usually about 90 percent self-sufficient in wheat, and in good crop years, such as 1943–44 when an estimated 9,107,152 metric quintals were produced, it becomes entirely self-sufficient. In years of poor harvests, from 5 to 15 percent of the country's wheat needs are secured from Argentina.

Some wheat is used for feed in Chile, but the quantity is insignificant. The principal feedstuffs are oats, forage barley, and various types of hay and other grasses. About 15 percent of the crop is used for seed, according to an estimate of the Chilean Ministry of Agriculture.

Chilean wheat farmers usually retain about 30 percent of each crop for food, seed, and feed.

Wheat-storage facilities are limited in Chile and are not sufficient for current requirements. Fortunately, in the north-central region of the country there is a long, dry period each year, usually from 4 to 5 months, when the wheat can be stacked in the yards next to the mills.

Mill capacity is estimated at 18,000 metric quintals each 24 hours. In 1939, which is a representative year, mills were in operation 288 days of 16 hours each and produced 3,678,736 quintals of flour.

The principal flour mills of Chile are located in or near the cities of Santiago, Concepción, Talcahuano, Valparaiso, Talca, Collipulli, Osorno, and La Unión. The Talca mill has United States machinery and equipment; the other mills have British, German, and other European installations. The mills in the more densely populated regions, such as Santiago and Concepción, use comparatively modern milling methods and equipment. Many of the smaller mills are operated in a primitive manner.

Only small quantities of United States or other foreign brands of flour are sold in Chile. A few shops stock imported flour and related products, but the price sometimes ranges from 3 to 10 times the retail price for the same product in the United States.

Prospects appear to be favorable for increased mechanization of wheat farming in Chile. Combine harvesters and tractors will probably be the two principal types of machinery needed.

Grain Crops in Sweden

The area planted to cereals in Sweden in 1944 amounted to 479,700 hectares (1 hectare=2.471 acres), a decrease of 1.8 percent compared with the 1943 area, according to the June 1944 census of arable land.

Wheat and rye crops are estimated at 1,022,000 metric tons, an increase of 10 percent above the 1943 crops. This gain of cereal crops resulted from an expansion of 25.8 percent in the fall wheat-crop area, which produced a yield in 1944 of 480,000 metric tons, an increase of 34 percent over the preceding year's crop of 357,000 tons. Estimates for spring wheat and rye, however, show decreases as compared with 1943.

The area devoted to forage cereals in 1944 totaled 931,400 hectares, a reduction of 3.5 percent compared with 1943.

The 1944 barley crop is estimated at 180,000 metric tons, a decrease of 23 percent, while the mixed-grain crop is expected to yield 544,000 tons, or 10 percent more than in 1943. The total forage-grain crop is estimated at 1,570,000 tons, a figure slightly below that of 1943.

A record crop of 5,610,000 metric tons of hay, the most important forage crop, is expected for the current year, a gain of 31 percent over the 1943 crop of 4,270,000 tons.

Meats and Products

Cattle Receipts and Meat Exports, Uruguay

Although fewer cattle were slaughtered in Uruguay in the second quarter of 1944 than in the corresponding period of 1943, both weight and value were greater.

Cattle receipts in April, May, and June, 1944, totaled 214,927, valued at $9,104,990, as compared with 356,274, valued at $7,473,460, in the corresponding period of 1943.

Exports of meat and meat products from Uruguay in the first 6 months of 1944 amounted to 61,796,473 kilograms, valued at $14,972,355, an increase in weight as compared with the January–June period of 1943 but a slightly less (relative) dollar value.

Sugars and Products

Production of Sugar Beets, Sweden

Production of sugar beets in Sweden in 1944 is estimated at 1,790,000 metric tons, about 4 percent less than the 1943 crop. The 1944 estimate, however, is 4 percent above the average yearly crop of sugar beets during the period 1930–39.

New Treatment for Sugar Beets, U. S. S. R.

A new and simplified method for the initial treatment of sugar beets prior to their shipment to factories has been adopted in the agricultural provinces of the Ukraine, Soviet Russia, according to the press.

Transportation of sugar beets, the water content of which amounts to 75 percent, increases costs by millions of rubles for the sugar industry, as the factories are usually long distances from the fields.

In the new production process, the juice is extracted from the beet, then subjected to evaporation and converted into a briquet of concentrated juice. The process is carried out in small plants with a capacity of 250–1,000 centners of beets per day (1 centner=100 kilograms of 2.2046 pounds), sufficient to serve the needs of one large or several small collective farms. The semiproduct, or briquet, is then sent to a factory serving a whole network of such plants.

Experiments have shown that the juice concentrated in briquets can be stored, without loss or chemical change, for several years. This would cut down the number of sugar factories, and the low cost of the initial processing plants would make it possible to have many of them, with the result that the radius for the necessary transportation of the sugar beet would be reduced to about one-fifth the average distance traversed at present.

The model plants used in tests are simple in construction. The equipment consists of a machine for soaking and cutting the beets, an apparatus for extracting the juice, and another for evaporating the water from the juice. The concentrated juice while still hot, is poured into molds where it is allowed to cool naturally and then is removed in the form of hard briquets.

The several pieces of equipment may be joined into a compact unit, easily installed. All the power necessary for this type of plant may be obtained from a small boiler and an engine, or a locomobile, capable of producing from 30 to 75 horsepower, depending on the size of the plant. The steam released by the boiler is utilized to evaporate the water from the juice. About 15 or 20 people are required to operate each plant.

During the 1944 beet-processing season four plants were to have been ready for operation in the rural districts of the Ukraine. The plan for the 1945 season calls for the completion of 50 plants.

The widespread adoption of this new beet-processing system reportedly will result in a rapid expansion in beet planting, a higher sugar yield per season, and the speedy restoration of a great industry in the Ukraine.

Glass and Products

Imports of Glass and Glassware Trinidad, B. W. I.

Glass and glassware are not produced in Trinidad or Tobago, British West Indies. Imports in 1943 included 141,000 square feet of window glass and 51,000 square feet of plate glass, most of which came from the United Kingdom. Glassware imports also were small, the 5,000 hundredweight furnished by the United States being classified principally as essential items.

Hardware

Brazil's Manufacture of Building Hardware

Brazil is manufacturing building hardware in sufficient quantities to meet nearly all essential domestic needs. Before World War I, Brazil imported nearly all its hardware items from European countries, with the United States participation in the market limited principally to locks. Although a local industry was begun after the end of that war, Brazil continued to import the bulk of these products through 1930.

Manufacture of building hardware, protected from the start by a tariff which practically excluded imports of such items as were made locally, has advanced greatly during the present war. Volume production began first with the making of simple tumbler locks, barrel bolts, catches, cremones, hinges, and similar items, and progressed to nails, screws, mortise locks, and the like. The bulk of production is in the State of Sao Paulo, but even there facilities for mass production are inadequate. So far, the industry has grown without trade organization, but certain efforts in this direction are being made.

Although the larger factories keep more or less to a particular product or group of products, there are many smaller factories or work shops which plan their production from year to year, according to available materials and with particular attention to special demands. The major volume of output is from sheet iron, which until 1940 was entirely imported but since then has been partly supplied by local sources.

Nationally made brassware is increasing in volume and Sao Paulo brass sheets from imported copper and zinc are being utilized. Most of the brass items are used in Rio De Janeiro, Sao Paulo, and Santos.

Brazilian manufacture of door locks began in the late 1920's, with United States products serving as models. Now various types of locks are being turned out, including padlocks, production of

Insecticides and Fungicides: Significant International Aspects Today

The effect of an Allied victory in Europe on supplies of rotenone, pyrethrum, arsenic, and copper fungicides and considerations that might make it necessary to continue allocation controls after Victory in Europe Day were discussed at recent meetings of the War Production Board's rotenone, pyrethrum, arsenic, and copper fungicide industry advisory committees.

Chemicals Bureau officials informed the rotenone committee that Germany's defeat would not mean any increase in present restricted rotenone supplies. Increases can come only with the recapture of the large producing areas in the Far East, the committee was told.

A War Food Administration representative reported that WFA requirements of rotenone for cattle grub will increase in 1945, while rotenone allotments for Victory Gardens probably will be correspondingly cut. Firm requirements of agriculture for rotenone can be predicted only on food goals that are not yet announced.

Furthermore, demands for pyrethrum will be greater following V-E Day without any increase in the available supply, the pyrethrum committee was informed, the present indication being that allocation may have to be continued after V-E Day. Pyrethrum is imported from British East Africa, the Belgian Congo, and Brazil. The increasing demand would result from the shift of troops from Europe to the Pacific, which would increase the military requirements for aerosol bombs to combat insect-borne diseases, officials said.

Production of calcium arsenate is expected to be lower in 1945, in consequence of large carry-over stocks, WPB officials explained to the Arsenical Insecticides Manufacturers Industry Advisory Committee. This committee recommended that allocation of arsenic be continued in order to assure stabilized production. There will be a sufficient supply of calcium arsenate to meet agricultural needs for 1945, WPB officials said.

Farmers and cotton growers should be informed that supplies of calcium arsenate ought to be purchased now for possible emergency use due to unexpected insect infestations, the committee urged.

WPB informed the Copper Fungicide Manufacturers Industry Advisory Committee that Italy and France will need large quantities of copper sulfate for use on potato and grape crops. Sufficient capacity is available to supply copper sulfate to the liberated areas, the committee was told.

which was begun in 1944. One firm puts out what is claimed to be a complete line of building hardware and issues a catalog. The major line of the firm is mortise locks, together with an extensive variety of escutcheons and handles.

National production of hinges is growing in volume and improving in quality. Dimensions are expressed in inches, and designs follow prevailing foreign models. Although several smaller factories make hinges on a piece basis, the larger factories have installed machines that complete the hinge from new strip steel or brass fed to them. For several years before the war, Swedish iron hinges were placed on the Brazilian market in considerable volume at prices that could not be met by local manufacturers. With the improvement of nationally produced steel, and better machines for stamping out hinges, it is reported probable that a smaller importation of hinges will take place in years to come.

Latches, barrel bolts, and similar items are made in profusion by larger factories as well as by a number of smaller machine shops, but there is little or no attempt to standardize products. Fabrication of escutcheons, largely from brass, has developed to a marked degree. Manufactured articles of brass carry a high tariff, which has favored local production. United States locks are now being imported without escutcheons and face plates, with the idea of using those of local make.

Tariff statistics indicate considerable volume of imports of nails, screws, bolts, and nuts, but trade sources believe that the bulk of these imports are types used for purposes other than buildings; such as machines, railroad spikes and bolts. Local manufacture of types used for buildings is so extensive and well mechanized that imports are believed to be low.

The prevailing type of garage door in Brazil is the roller iron door, except in residential work where a light double door is used. Recently, marked interest has been shown in well-developed types of United States garage-door hardware, especially for industrial buildings.

Although casement windows are most in evidence in Brazilian buildings, double sliding windows are sometimes used, and since about 1930 have been growing in popularity, especially for office buildings. Just prior to the war, spring sash balances were replacing the counterweight system. The war cut off imports of spring balances, and local production of these was attempted without success. Therefore, this article may have extensive sale in Brazil when the war has ended.

Total volume of the building-hardware market in Brazil is currently estimated at between $4,000,000 and $5,000,000 per year, of which local production supplies roughly 90 percent.

New Zealand Imports

Artificers' tools imported by New Zealand during the first half of 1944 were valued at £NZ265,561, an increase of approximately 45 percent above imports in the corresponding months of 1943 (£NZ182,265). Imports of builders' and cabinetmakers' hardware dropped from £NZ54,990 in the first half of 1943 to £NZ39,763 in the first 6 months of this year, and millstones, grindstones, oilstones, and whetstones decreased from £NZ6,079 to £NZ5,887.

Emery and similar grinding machines and wheels imported during January–June 1944 were valued at £NZ35,935 compared with £NZ21,346 in the corresponding period last year.

Iron and Steel

Output of Steel Mill, Denmark

The new steel mill at Frederiksvaerk, Denmark, is refining waste iron and producing from 40,000 to 50,000 tons of rolled-iron products a year, says a Danish press report.

Situation at Chimbote, Peru

Although the capacity of iron and steel installations planned for Chimbote, Peru, are limited, compared with similar installations elsewhere, construction costs are low and operations are facilitated by the quality of iron and coal available, accessibility to the sea, and favorable climatic conditions, says a report of the State corporation created to develop the industry at Chimbote.

Leather and Related Products

Panama's Production

Little change has occurred in Panama's leather industry in recent years, the output of the six tanneries having increased not more than 10 percent since 1939. The quality and variety, too, have remained about the same. Panamanian tanners use the vegetable method of tanning, using quebracho as the raw material.

The most important tanneries are located at Chitre and David, points close to the source of raw material. Only in harness, saddlery, and sole leathers is production sufficient for domestic requirements, the annual output amounting to approximately 200,000 pounds.

The one tannery operating in the city of Panama specializes in the preparation of imported alligator and reptile skins from which it manufactures bags, belts, shoes, and luxury leather products.

Peruvian Hide Production

Production of hides and skins in Peru during July 1944 was estimated at 22,750 cattle hides, 100,000 sheepskins, and 60,000 goatskins and kidskins.

Uruguayan Imports and Exports

Exports of hides and skins from Uruguay during the first 6 months of 1944 showed a decease of about 11 percent compared with exports in the corresponding months of 1943, but exports of leather advanced almost 100 percent above shipments in the first 6 months of 1943. Details regarding these exports are given in the following table:

Exports of Hides and Skins and Leather from Uruguay

Description	First 6 months 1944		First 6 months 1943	
	Quantity	Value	Quantity	Value
	Metric tons	*Dollars*	*Metric tons*	*Dollars*
Salted hides	6,074	2,000,000	10,272	3,291,000
Sheepskins	4,312	1,195,000	381	179,000
Dried skins	1,684	606,000	2,879	871,000
Subtotal hides and skins	12,070	3,801,000	13,532	4,341,000
Leather	2,042	1,055,000	1,023	927,000
Total	14,112	4,856,000	14,555	5,268,000

Imports into Uruguay during the 6-month period ended June 30, 1944, included shoes and leather goods valued at $111,000, 80 percent of which was received in the second quarter. This represents an increase in value of 63 percent above similar imports in the first 6 months of 1943, when the value was $68,000. Slightly less than half of this amount was brought in during the second quarter.

Faster Ships Predominate in Our September Tonnage Output

While the tonnage output for September increased but slightly as compared with that of August, faster ships predominated among the 124 vessels, aggregating 1,185,997 deadweight tons, delivered from United States merchant shipyards during September, U. S. Maritime Commission officials have announced.

Of the 65 faster vessels turned out in the Maritime yards, 34 were to meet needs of the Navy and Army. Among these were the assault ships which Secretary Forrestal has described as the "most urgent item on the production program," built mainly over basic C-type and Victory hull designs. Also included were regular Navy transports, Army transports, and frigates delivered to meet military requirements.

Merchant ships in the faster-type category delivered in September were seven Victory cargo, five C-type cargo, and 19 standard tankers. Other ships delivered in September were 43 Liberty cargo, seven coastal cargo, three concrete cargo, and two concrete barges.

Maritime yards so far this year have turned out 1,233 vessels with a combined deadweight of 12,245,583 tons. Since Pearl Harbor, to October 1, 1944, they have built a grand total of 3,884 ships of 39,666,116 tons deadweight.

Lumber and Products

Timber Consumption and Supply, Australia

Australia's pre-war timber consumption was at the approximate rate of 1,000,000,000 board feet annually, says the foreign press. Of this amount, 65 percent was obtained locally and the remainder was imported, principally from Canada.

The rate of consumption has not decreased materially during the war, although restrictions have been placed on private building. Savings have been offset by new wartime requirements, and the difficulties of importing lumber have resulted in heavier cutting of local forests.

Almost 19,000,000 acres of land are dedicated to forest reserves, but timber production is not sufficient for domestic needs. According to estimates of forestry officials, it is considered probable that timber available for cutting will be reduced substantially within the next few years and that a larger percentage of Australia's supplies will have to be imported.

Decreased Imports, British Honduras

Shipments of lumber to British Honduras from the United States were greatly reduced in 1943, most of the supplies received being for local military purposes.

Imports normally consist almost entirely of dressed products, such as flooring, scantlings, board lumber, rustic siding, doors, shutters, blinds, and other lumber used in ordinary house construction. Composition-board imports are negligible, and practically no plywood is imported. A considerable amount of imported dressed lumber is used for the building and repair of boats.

Since galvanized-iron roofing is used on practically all houses and buildings, no shingles have been imported in recent years. Hewn and sawn timbers for bridge and wharf construction and railroad ties are of local woods.

Lumber Situation, Sao Paulo, Brazil

The lumber requirements of Sao Paulo, Brazil, are supplied principally from the western zone of the State and by the States of Parana and Santa Catarina. Paraná pine and peroba are the most widely used all-purpose timbers found in these regions, although there are a number of other useful woods throughout the area. However, these two species exist in large stands, which makes their extraction economical, whereas other timbers are more scattered. Most of the softwoods are supplied by Santa Catarina and Parana, whereas the hardwoods are obtained in the State of Sao Paulo itself.

Annual consumption of lumber in the State of Sao Paulo is estimated at approximately 250,000,000 board-feet. In 1941 the largest volume of wood ever transported by the railroads was brought into the city of Sao Paulo, with construction reaching an all-time high that year. In 1942–43 the supply of pine shipped to the capital by rail dropped 50 percent, but increased transportation by water, reduced the total decline to 30 percent. Hardwood supplies decreased 20 percent during the same period and have continued to decline in 1944. It is expected that the reduction will be 40 percent by the end of this year.

Although civilian construction, which normally consumes 50 percent of the lumber supplied to Sao Paulo, has decreased 30 percent since 1941, new wartime requirements have absorbed the saving. Packing and crating resulting from rapid industrial expansion have been an additional drain on lumber supplies.

Stocks at sawmills in the city of Sao Paulo are 40 percent lower than 2 years ago. Because of transportation delays, there is a decided shortage of peroba. Since this is a most important timber in Sao Paulo's economy, continued curtailment of supplies will have far-reaching effects. This wood compares with oak in the United States in general utility and finds wide application for all types of heavy and light construction work, both outside and inside.

The present shortage of lumber results directly from transportation difficulties. Reserves of pine, Pau-Marfim, canelas, and other woods in Rio Grande do Sul, Santa Catarina, and Parana are extensive. Although Sao Paulo's hardwood forests have been heavily cut in recent years, it is estimated that supplies are sufficient for a number of years even at the present rate of cutting. The Brazilian Government is now promoting a forestry and reforestation program, and hardwoods are being planted on a large scale.

In peacetime years, as the Brazilian timber industry becomes more specialized and increases in efficiency, exportation of lumber undoubtedly will increase. The State of Sao Paulo has exported large quantities of peroba to Argentina and the United Kingdom. Other woods, such as Pau-Marfim, imbuia, jacaranda, and canelinha, have possibilities in the manufacture of high-quality furniture in the United States.

The Sao Paulo office of the Brazilian National Pine Institute has announced plans to encourage the planting of pine forests in the State. Officials have bought the "Fazenda Itangua," between Capao Bonito and Itapeva, where 2,000,000 pine seedlings will be planted for experimental purposes.

The Institute is buying the necessary machinery and is studying methods for distributing and planting pine seedlings.

Lumber Cut, British Columbia, Canada

British Columbia's saw-log scale in July amounted to 233,513,817 board feet, a substantial decrease from the preceding month and also from July 1943. However, the total scale of 1,628,755,524 feet for the first 7 months of 1944 represents an increase of 171,028,965 feet over the corresponding period in 1943.

The cut of poles and piling, cordwood, and railroad ties decreased during July of this year, compared with July 1943, but totals for the 7 months showed an increase in 1944 for cordwood and ties.

Plan for Increasing Forest Reserves, Kenya

A 5-year plan for the development of Kenya's forests has been submitted to the Government by the Forest Advisory Committee, says the foreign press. The program provides for an increase in forest reserves from 8 to 10 percent of the habitable area of the colony.

A more extensive planting program, systematic reforestation of reserves, and

improved fire prevention and control measures also are included in the plan. Provision is made for the training of boys in forestry and the establishment of a forestry school.

New Zealand's Timber Resources Somewhat Depleted

Indigenous timber resources in New Zealand, particularly those readily accessible, show signs of decline, according to a foreign lumber journal. In the future, it is expected that more attention will be given to the development of exotic plantations, both private and State.

War requirements have absorbed practically all stocks normally kept for the trade, and orders are being filled on the basis of urgency.

Average lumber production in New Zealand in 1937–39 was 315,000,000 board feet annually. In 1940, output reached 336,000,000 feet, and in 1941 it rose to 342,000,000. In 1947, production dropped to 324,000,000 feet, climbing to 331,000,000 in 1943.

Sawmill and Other Production, Sweden

Because of export difficulties, the Swedish company A/B Statens Skogsindustrier has maintained production of sawn goods and wood pulp only to a limited extent, according to the concern's latest annual report. The company was organized in 1941 for the administration of the Royal Swedish forestry mills.

In 1943 the Granviks, Bjurfors, and Karlsby mills were closed. However, production is expected to be increased at the Sjobacka and Skinnskatteburg sawmills to compensate for the loss of these plants, it is stated.

Norbottens Traforadlings A/B, Sweden, established in 1941 to restart the Robertsvik sawmill at Lulea, has expanded and modernized the plant, an European lumber journal reports. A factory for the manufacture of prefabricated houses has been erected, and equipment for joinery production also has been installed.

New Company To Operate in Panama

Asserradero Nacional, S. A. (National Logging & Sawmill Co., Inc.) has been established in Panama, says the Panama press.

The company plans to organize and install sawmills, both in Panama and in other countries, for processing timber owned by it or to be acquired. It also will purchase and sell all types of lumber, either logs or sawn and finished material, for both export and import. The project is said to include the exploitation of rare as well as utilitarian types of wood. Boats, accessories, and other products in which lumber is the chief material may possibly be handled by the firm.

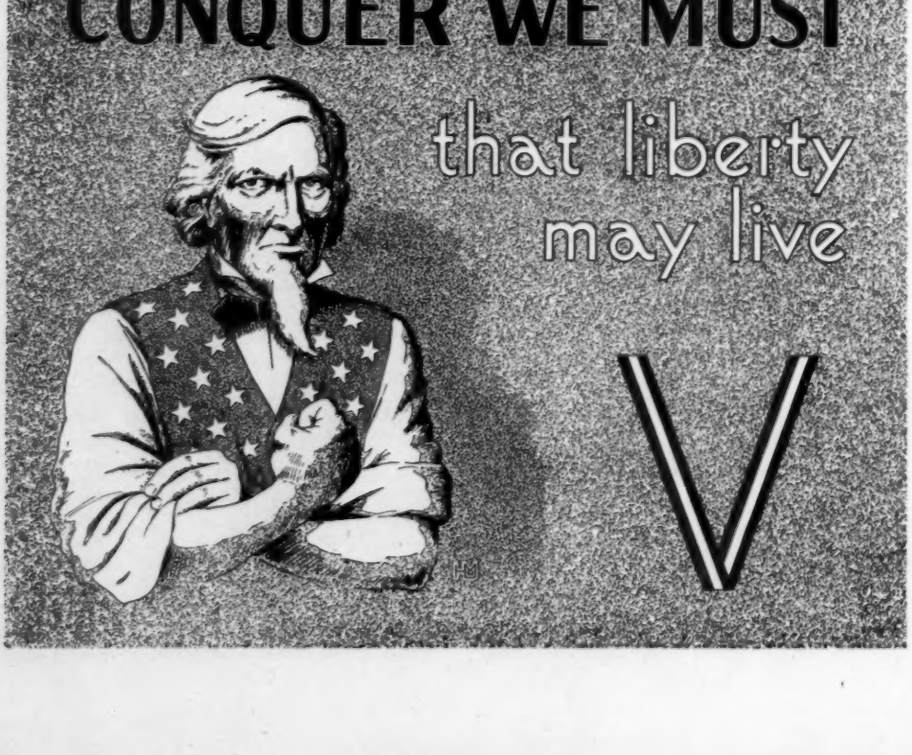
A site for the principal sawmill has been purchased in San Francisco, a suburb of the city of Panama. The machinery, valued at $50,000, was purchased from the United States. Operations are scheduled to start shortly.

Increased Output Planned, U. S. S. R.

The downward trend in the timber industry in Archangel Oblast, U. S. S. R., was halted in the 1943–44 season, says the Soviet press. During the war years up to that time, output of timber enterprises in the oblast decreased more than 50 percent, compared with 1940, while timber haulage was more than two-thirds less.

In the timber-procuring season which commenced in August 1943, Archangel Oblast had an output above plan of 400,000 cubic meters of timber and 1,873 carloads of special lumber products. The 1944–45 plan calls for an increase of 160 percent in timber procurement over 1943–44 and of 135 percent in timber haulage.

During the first 7 months of the calendar year 1944, the oblast procured 929,000 cubic meters more timber than in the corresponding months of 1943. Timber deliveries in the same period were 718,000 cubic meters greater than in the first 7 months of 1943.



Medicinals and Crude Drugs

Fish-Oil Extraction in Brazil

The fish-oil extraction industry in Brazil has been established as a result of the war, states the foreign press. Formerly a regular importer of fish oil, with a marked preference for pure cod-liver oil, Brazil now obtains vitamin oils from shark livers found in local waters. Production figures on these oils in Brazil are not available, but it is to be presumed that output is meeting domestic needs, for there is said to be almost no market in Brazil for imported fish oils of any kind.

Nonferrous Metals

Recovery of Tin From Lode-Tin Ores, Australia

A new flotation process for the recovery of tin from lode-tin ores has been developed by the Australian Council for Scientific and Industrial Research, says the foreign press. The process gives promise of separating from tailings much tin that is discarded now, and there is a possibility of recovering a quantity of tin from dumps or tailings left from past mining operations.

In laboratory tests, a high proportion of the mineral has been recovered from ores that are difficult to treat.

Chile's 1943 Copper Output

Chile retains its position as the world's second largest producer of copper, with an output of 497,000 tons in 1943, according to official statistics.

Oils and Oilseeds

Olive-Oil Production Increased, Argentina

Production of olive oil in Argentina increased from 41,141 gallons in 1942 to 169,087 gallons in 1943, states the foreign press. The olive-oil industry in that country is relatively new.

Extraction of Babassú Oil, Brazil

A new babassú processing plant was opened at Kelru in the State of Maranhao, Brazil, on August 7. Financed largely with Sao Paulo capital, the plant is located about 50 miles from the port of Sao Luiz. Facilities have been provided for the mechanical cracking of whole babassú nuts and automatic separation

of the husk, mesocarp, endocarp, and kernels. The kernels are taken directly to the expellers where the babassú oil is extracted. Various residue products are to be manufactured when the plant is in full operation.

Flaxseed Production, Prairie Provinces, Canada

The three Prairie Provinces in Canada will produce 9,821,000 bushels of flaxseed from the 1944 crop, according to the first estimate of the Dominion Bureau of Statistics. A total of 1,297,500 acres are under cultivation, and average yield per acre is approximated at 7.6 bushels.

Manitoba, with 167,000 acres planted, will produce an average of 10.3 bushels of flaxseed per acre, or a total of 1,712,000 bushels; Saskatchewan, with 939,000 acres under cultivation, will produce 6,789,000 bushels; and Alberta, with 191,500 acres planted, is expected to produce 1,320,000 bushels.

Canadian Production of Sunflower Seed and Rapeseed

Canadian production of sunflower seed, which was begun on a commercial basis in 1943, has been relatively successful, although actual area under cultivation is far short of the 1944 objective of 50,000 acres. In 1943 enough seed was distributed to plant 29,000 acres, but later investigation proved that only 18,300 acres were actually planted and 12,370 acres harvested, which yielded an estimated 5,302,000 pounds. Of this crop, 4,500,000 pounds were available for crushing. A small plant exists at Saskatoon, and other plants are scheduled to go into operation this fall, one at Altona, Manitoba, and another at Moose Jaw, Saskatchewan.

Canada normally consumes substantial quantities of sunflower-seed oil in the manufacture of salad oil, shortenings, and other food products. Consumption totaled 18,000,000 pounds in 1942 and 34,000,000 pounds in 1943, practically all imports having come from Argentina.

Rapeseed is another new crop, grown for the first time in 1943. The area under cultivation in that year was estimated at slightly more than 4,000 acres and production at 2,822,000 pounds. Both of these estimates are believed to be somewhat high. The area under cultivation in 1944 is believed to be somewhat higher than in 1943. Growing conditions this season have been favorable, and good yields are anticipated. About 1,000,000 pounds of seed from last year's crop have been delivered and processed into oil for marine engines.

Soybean Production and Imports, Canada

Although the area planted to soybeans in Canada is believed to have increased since last year, it is still far short of the 90,000-acre goal set for 1944. Yields in some areas, particularly Manitoba, will be small owing to the excessive heat and drought prevailing for a long period after the middle of July. Soybeans have been produced in Canada on a very limited scale for some years, with production centered in the southwestern counties of Ontario Province. Negligible quantities are grown in Manitoba, Alberta, and British Columbia.

In 1941, Ontario's seeded area of 10,900 acres yielded 216,000 bushels. In 1942, 41,490 acres yielded 912,000 bushels, according to estimates. Commercial marketings amounted to only 370,000 bushels, and crushers received only 320,000 bushels.

The goal for soybean acreage in 1943 was set at 90,000, but actual plantings of 47,000 acres fell far short and only 32,150 acres were harvested. Of the estimated total crop of 545,000 bushels, mostly low in grade, 323,000 bushels were marketed commercially. A part of this crop was sold for uses other than crushing.

Nearly all the oil extracted from Canadian soybeans goes into edible uses, and domestic production is supplemented by imports of beans and oil from the United States. The volume of imports depends upon the size of the Canadian crop and the availability of other edible vegetable oils and oil-bearing crops. In 1939, 154,191 bushels of soybeans were imported; but in 1942 imports amounted to only 12,513 bushels. In 1943 imports totaled 93,617 bushels, and during the first 6 months of the current year 105,210 bushels were purchased outside the country.

On August 25 an increase in the ceiling price on soybeans sold in bulk became effective, with local varieties stabilized at from $2 to $2.15, depending upon quality. Prior to August 25 the maximum price was $1.96 per bushel.

India's Castor-Bean and Castor-Oil Industry

There was little activity in the Madras and Bombay castor-bean markets of India, during the quarter ended June 30. The Government ban on the export of castor-beans from the Madras Presidency continued in effect, and, in Calcutta, where prices were lower than in the preceding quarter, business in castor-beans and castor oil was dull and inquiries were lacking.

According to trade sources, about 16,000 tons of castor-beans were consumed in South India during the quarter ended June 30, of which 1,200 tons were attributed to the Bombay district. Exports from both Bombay and Madras were lower than last year. No figures are available for the Calcutta district.

Stocks of castor-beans in South India on June 30, 1944, were 500 tons in ports and 8,000 tons in the inland trade centers. According to leading shippers, about 700 tons of castor-beans were held

Striking Example of Reverse Lend-Lease: The Case of Crude Rubber

The United States this year is receiving as Reverse Lend-Lease from British Commonwealth and Empire sources about 78,000 tons of crude rubber, which constitutes more than one-half of the total Empire production for the year, the Foreign Economic Administration reports. About 70,000 tons are coming from Ceylon, 4,500 tons from United Kingdom stocks, 3,100 tons from India, and the remainder from British territory in the Western Hemisphere. This is appreciably larger than the anticipated U. S. crude-rubber imports from all other sources during the year.

The shipments to the United States from Ceylon, the United Nations' largest producing source of crude rubber since the loss of Malaya and the East Indies, represent more than two-thirds of that Colony's output. *Most* of the balance of the Ceylon rubber production will go to the Soviet Union, and the rest to Australia and New Zealand.

The United States will benefit directly from the deliveries to Australia, since of these supplies appreciable quantities (about 2,800 tons in 1943 and 6,400 tons in 1944) are fabricated in Australia into tires for the U. S. forces operating in that theater. As Australia bears the cost of this manufacture under its own Reverse Lend-Lease arrangements, both the rubber and the fabrication into tires are supplied to the United States without payment by us.

In coordinating Anglo-American war production the effectiveness of Reverse Lend-Lease is well demonstrated in this case of rubber. The United States is this year supplying general-purpose synthetic rubber to the United Kingdom under Lend-Lease amounting to about 86,000 tons—equivalent in manufacturing processes to approximately 70,000 tons of crude rubber—together with tires of which more than 90 percent are for military use and the remainder for essential civilian services. The United States is also supplying relatively small quantities of special-purpose synthetic rubber.

At the same time, the supplying by the British to America, under Reverse Lend-Lease, of so much of their crude-rubber supplies is an important complementary step, since natural rubber is essential to the use of synthetic rubber in most production programs. Thus the interests of both nations are served.

In the manufacture of truck, bus, and aircraft tires, for example, it is still necessary to use an appreciable quantity of crude rubber. Consequently, the United States with its large manufacturing capacity, is able to turn out vastly more tires for its own military purposes, and also for the Allied forces overseas, than it would be able to by relying on crude rubber from Latin America, Liberia, and elsewhere.

in the Bombay area, excluding stocks sold and awaiting shipment. Arrivals of castor-beans in Bombay during the first half of 1944 amounted to 7,127 tons, compared with 6,146 tons during the corresponding period of 1943. Stock figures for Calcutta are not available.

At Bombay, 27 tons of castor oil were exported during the months of April and May and about 3,500 imperial gallons were exported from the port of Calcutta during the quarter which ended June 30.

Exports of Linseed and Linseed Oil, India

The Bombay, India, linseed market, influenced by shortage of ready stocks and keen demand on the part of shippers to South Africa and Australia, registered a price increase during the quarter ended June 30. In Calcutta, trade in linseed during the same period was better than in the preceding quarter.

On June 30, 1944, some 7,000 tons of linseed were held at Bombay, exclusive of those sold and awaiting shipment, and an estimated 6,000 tons were at Calcutta. Arrivals of linseed in Bombay between January 1 and June 30 totaled 1,326 tons, compared with 4,106 tons during the corresponding period of 1943.

During April 1944, 1,086 tons of linseed were exported from Bombay, and in May there were no shipments. Exports from Calcutta during the quarter ended June 30, were estimated at slightly more than 3,000 tons. An estimated 2,000 tons of linseed were consumed in Bombay during the June quarter. No figures on local consumption are available for Calcutta.

Local mills crushed a larger quantity of linseed during the period and exports of linseed oil showed an increase. Calcutta shipped 260,000 imperial gallons, according to unofficial estimates. Prices of linseed oil varied only slightly during the quarter.

Yields From Spain's Olive Industry

Trade circles have estimated that the 1944–45 olive crop in Spain will yield between 150,000 and 220,000 metric tons of oil. Pressing will begin in November. It is believed that the crop is smaller than in the preceding year, because of the unusually cold weather which prevailed in the early spring months when the trees were in bloom.

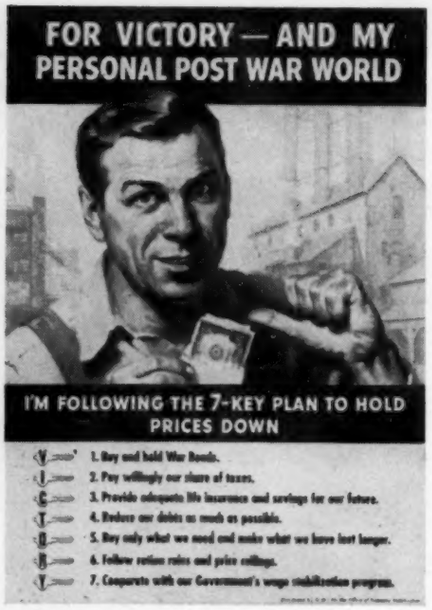
Production of sulfur oil is estimated at 10 percent of the olive-oil output, or between 15,000 and 22,000 tons.

Only negligible quantities of olive oil have been exported from Spain so far in 1944. These were shipped from Seville. During the first 6 months of 1944, shipments of olive oil to the Spanish Peninsula and Spanish possessions totaled 156,459 tons.

Stocks of olive oil from the 1943–44 pressing, estimated at 40,000 to 50,000 tons, will be available for distribution only after the olive oil from the present crop has been distributed. It is doubted that much of this oil will be exported, since it may be required to supplement production from the current year's crop.

Stocks of sulfur oil on hand are estimated at between 20,000 and 30,000 tons, and there are also considerable quantities of residues from olive-oil pressing which have not been treated for sulfur oil, because of lack of solvents and the restrictions on prices.

The handling and disposition of olive oil continue under Government control, and so far no changes in the Government's policy have been announced. It is understood, however, that a revision is under consideration.


FOR VICTORY — AND MY PERSONAL POST WAR WORLD
I'M FOLLOWING THE 7-KEY PLAN TO HOLD PRICES DOWN
V 1. Buy and hold War Bonds.
I 2. Pay willingly our share of taxes.
C 3. Provide adequate life insurance and savings for our future.
T 4. Reduce our debts as much as possible.
O 5. Buy only what we need and make what we have last longer.
R 6. Follow ration rules and price ceilings.
Y 7. Cooperate with our Government's wage stabilization program.

Paints and Varnishes

Shellac Imports and Consumption, Brazil

The difficulties imposed on industry in Sao Paulo, Brazil, by shortages of shellac have been relieved considerably by the arrival within the past several months of shipments from the United States.

Imports of shellac into the Sao Paulo district were curtailed markedly in 1941 and 1942 and practically ceased in 1943 and the first part of 1944. Only 86,055 kilograms were received in 1941 and 71,616 in 1942, compared with 221,063 in 1940.

Normal demand for shellac in Sao Paulo is estimated at approximately 200 metric tons annually. Most of the imported shellac is used for finishing furniture and woodwork. Portions also are consumed by the phonograph-record and felt-hat industries, and smaller quantities are used by paint factories, in the manufacture of leather dressings, and for miscellaneous purposes.

Because of shortages, local industry has attempted to use various substitute materials, which, however, have not proved entirely satisfactory.

El Salvador's Imports of Paint Materials

El Salvador's imports of paints and varnishes and paint materials during the first 6 months of 1944 totaled 120,485 gross kilograms, valued at $43,371. The United States was the principal supplier.

Petroleum and Products

Fuel-Oil Distribution and Consumption, São Paulo, Brazil

Actual distribution of fuel oil during 1943 in the State of São Paulo, Brazil, reached a total of 83,045 tons, of the 86,696 tons made available for industry. Altogether 94,556 tons were made available for distribution, but of this amount 7,860 tons were allotted to the Brazilian merchant marine. Of the remaining quantity of fuel oil distributed, the cement manufacturers received 51 percent, or 43,300 tons; the metallurgical industries received 29 percent, or 23,869 tons, and smaller amounts went to the glass, ceramic, rayon, and other industries.

Fuel-Oil Distribution, Canary Islands

With bunkering trade continuing at low wartime levels, the Canary Islands supplied during the quarter ended June 1944 about 205 tons of gas oil, of which 105 went to fishing vessels, and 100 to shore. About 2,860 tons of fuel oil were supplied, all to the electric-light plant. Stocks on hand on June 30 amounted to 4,562 tons of fuel oil, 30 tons of gas oil, and between 800 and 1,000 tons of Diesel oil.

During the quarter, petroleum products were distributed on the basis of pre-February regulations, with the single exception of gasoline for motor vehicles for which new regulations had been worked out by the authorities to impose and induce the use by motor vehicles of gas producers with a view to decreased dependency on gasoline.

Since late in July, private cars of 18 horsepower or less have been exempted from the requirement to install gas producers, but units in excess of 18 horsepower must install the apparatus within 3 months. All motortrucks of 18 horsepower upward, and all motorbusses were supposed to be included in the requirement to install gas producers, but the order of late July exempted 50 percent of these units from having the apparatus.

Situation in Ecuador

Production of crude petroleum in Ecuador during 1945 probably will be about equal to that of the current and immediately preceding years unless new wells are brought in on land concessions where exploratory work is being done. According to estimates based on this predication, output in 1945 will be slightly more than 2,000,000 barrels. As in the past, Ecuador probably will export some quantities of petroleum. Since the war began, shipments have been made largely to Uruguay and Argentina, but before the war, Ecuador exported to Brazil, Japan, Great Britain, Argentina, Uruguay, and France—the two last-named countries receiving the greater quantities.

Ecuador has refining facilities for producing motor gasoline, mineral spirits, kerosene, gas and fuel oil, and liquefied gases. Some lubricating oil is produced locally, but this is generally mixed with imported products. Local refining facil-

ities can handle about 2,800 barrels per day.

Ecuadoran consumption of aviation gasoline is small, but since none of this complex product is produced in the country, supplies formerly were imported from Talara, Peru, where a United States company has a refinery, and from the west coast of the United States. Ecuador's estimated needs for aviation gasoline for 1945 are little more than 15,000 barrels.

The largest single consumer of fuel oil in Ecuador is the Guayaquil & Quito Railway, but other railways and industries use lesser amounts. Volume of imports for the Guayaquil & Quito Railway has varied widely from year to year, depending to a certain extent on stock carry-over. At the present time the total fuel-oil requirements of the railway amount to 20,000 barrels a month, of which amount two-thirds can be supplied locally.

If present available supplies and stocks are taken into consideration, import needs are estimated at roughly 35,000 barrels during 1945.

In view of projected road building in 1945, needs of road asphalt are estimated at close to 8,000 tons. If shipments can be made it is probable that much of this asphalt will be procured from the United States. Otherwise, it will be obtained from other sources. In the last 2 years Ecuador has consumed 500 tons of roofing asphalt, which came largely from Chile because of the difficulty of obtaining the product from the United States. Approximately 500 tons of this product will be needed in 1945.

Under normal conditions, local production of lubricating oil amounts to little more than 2,000 barrels annually, and it is believed that production could be increased to take care of up to 90 percent of import requirements if between 1,500 and 1,700 barrels of western bright stock for blending could be supplied from the United States. However, the market for imported lubricating oils is well established, and estimated imports from the United States for 1945 are 5,850 barrels.

Ecuador has no commercial production of lubricating greases at the present time, and 1945 requirements for these products are estimated at 240,000 pounds. Approximately 10,000 gallons of white oil will be required. No paraffin is produced locally, and this product is in high demand for use in candlemaking. Stocks on hand are sufficient for about 5 months, and estimated needs for this product in 1945 are 1,720,000 pounds. Some 76,000 pounds of petrolatum will be required in the same period. The United States is the logical source of most of these commodities.

It is estimated that exports of petroleum products from Ecuador during 1945 will be about 1,200,000 barrels. These exports will include some quantities of casinghead gasoline which is ordinarily mixed with crude petroleum for export.

Stocks of petroleum and of those petroleum products which are produced locally and suffice for local consumption depend upon storage facilities available. Stocks of aviation gasoline at present are low. In the vicinity of Guayaquil there are said to be sufficient stocks of lubricating oil to last a year, and the situation in Quito is said to be about the same. Stocks of asphalt for paving are small, and those of grease generally a little less than normal.

Use of Generator Gas in Sweden

Generator gas used in Swedish automotive transportation is said to be from 50 to 60 percent as efficient as gasoline. That produced in two-cycle motors equipped with pulsators is said to be 110 percent as efficient as gasoline. The pulsator is a mechanical device for feeding the gas charge with elimination of crankcase compression and lubrication difficulties, but as two-cycle motors are used in marine and stationary plants only, the high efficiency reached by the device does not affect automotive transportation.

Precompression of generator gas has been tried, but economic and metallurgical difficulties have prevented wider use of compressors even though they add greatly to the efficiency of the fuel:

A Swedish motor-trade journal of recent issue gives relative calorific values of some of the many substitute fuels in use there. These are shown in the following table:

Calorific Value of Fuels

Fuel	Heat Value in Kilogram Calories
	Per liter
Bensin (gasoline)	7,600
Motor-fuel oil	9,350
Light bentyl, 75 weight percent gasoline	7,040
Light bentyl, 25 weight percent motor alcohol (99.6)	5,475
Motyl 85 [1]	5,475
Motyl 50 [2]	6,330
Ethyl alcohol, pure	5,100
Crude alcohol (95 percent)	4,840
	Per cubic meter
Acetylene (dissous)	13,600
City-light gas	3,800
Methane, pure	8,560
Methane, 6 percent CO_2	8,100
Methane, 3 percent CO_2	6,000
	Per kilogram
Carbide (producing 260 to 300 liter acetylene per kilogram)	3,540–4,080

[1] 85 percent alcohol and 15 percent gasoline by volume.

[2] 50 percent alcohol and 50 percent gasoline by volume.

Radio

Dominican Republic Dependent Upon Imports

In the Dominican Republic, slightly more than 19,000 square miles in area, there are 1,500,000 inhabitants whose participation in and enjoyment of the modern wonder of electronics is limited to the use of certain products imported from other countries.

There are only about 9,000 radio receiving sets in use, practically all of which are equipped to receive international short-wave broadcasts. The number of radio transmitting stations engaged in general broadcasting totals 20, of which 11 are in Ciudad Trujillo, the capital, located on the southern coast.

Although a permit is required for the ownership and operation of a radio receiving set in the Dominican Republic, the fee is only 50 cents a year and there are no special restrictions, the permits being issued to citizens and foreigners on the same basis. There is limited use of sound equipment but no restrictions regarding it.

At present the United States furnishes 99 percent of all imports of electronic products. Before the war from 85 to 90 percent came from the United States, with the Netherlands West Indies and Germany furnishing the remainder. Total imports for the period 1939–43, reported by value, were as follows:

Year	Radios and radio phonographs	All other machinery, apparatus, and electrical effects
1939	$54,363	$158,427
1940	48,143	119,881
1941	49,567	175,059
1942	23,434	98,443
1943 [1]	19,005	163,328

[1] First 11 months only.

Railway Equipment

Wheel and Axle Factory Proposed, Argentina

Plans have been submitted to the Government of Argentina by the General Administrator of State Railways for the establishment of a railway wheel-and-axle works in the Province of Cordoba, says the foreign press. The projected area is 9,000 square meters, and, with a plant of this size, it is believed that heavy railway material and parts for locomotives, coaches, and freight rolling stock could be produced.

Railway Repair Shops Active, Turkey

The shops of the Turkish State Railways in 1943 repaired 550 locomotives,

960 carriages, and 6,000 freight cars. The repair shops at Eskisehir and Sivas are to be extended considerably, states the European press.

Special Products

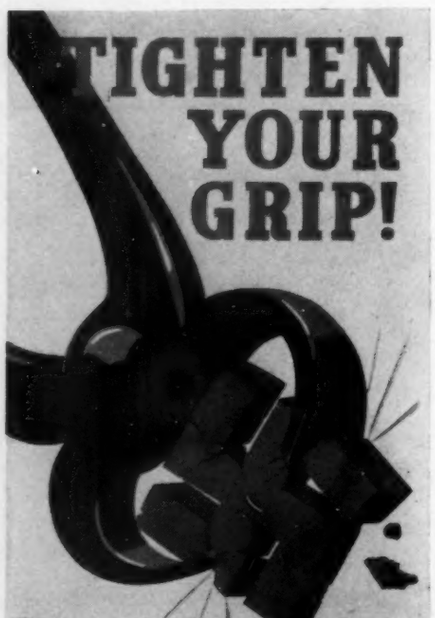
Toy Imports, Sao Paulo, Brazil

Sao Paulo, Brazil, is reported to offer a good market for certain types of toys, particularly plastic and metal, of United States manufacture. Normal annual requirements of toys, dolls, and games are estimated (by value) at $700,000, of of which about $100,000 worth are supplied by imports.

Before the war, Germany and Japan had the largest share of the Sao Paulo market. Metal toys and composition dolls of good quality made up the major part of importations from Germany, whereas Japan furnished cheaper products with emphasis on celluloid items. Since the curtailment of imports from these sources, Sao Paulo's own toy-manufacturing industry has expanded greatly. The local industry can meet all requirements for toys of wood, composition materials, cloth, and cardboard, but only a small part of the demand for metal and plastic toys.

The Brazilian plastics industry is comparatively new, and most of the available production facilities are being utilized for essential consumer durable goods. Few plastic toys are being made. Likewise, metal toys, such as mechanical and electric trains, automobiles, tanks, and ships, are not being manufactured locally.

The following table shows the quantity and value of toys of tin plate, celluloid, and wood imported through the port of Santos in the year 1938, compared with imports in 1941 and 1942. Statistics for 1933 are not available for publication at this time.



Courtesy Office of War Information

Imported Toys Made of Tin Plate, Celluloid, and Wood

Country of origin	Quantity (in kilograms)		
	1938	1941	1942
Germany	34,950	.....	.....
Japan	18,635	10,193	.....
United States	2,961	11,147	6,298
England	428	1,495	103
Italy	1,033	.....	.....
Czechoslovakia	384	.....	.....
France	41	.....	.....
Switzerland	.....	160	137
Total	58,432	22,995	6,538
	Value		
Germany	$66,898	.....	.....
Japan	28,610	$18,985	.....
United States	3,850	19,245	$14,825
England	925	4,780	847
Italy	2,135	.....	.....
Czechoslovakia	540	.....	.....
France	175	.....	.....
Switzerland	.....	1,265	1,250
Total	103,133	44,275	16,922

New Zealand's Imports of Scales and Balances

Scales and balances imported by New Zealand during the first 6 months of 1944 were valued at £NZ13,332, according to statistics published in New Zealand. Similar imports during the first half of 1943 had a value of £NZ5,606.

Manufacture of Tool Handles, Sweden

Holmsunds A/B, Sweden, has developed a process for manufacturing laminated wood handles for various tools and implements, such as hammers, axes, and spades. Thin sheets of domestic wood, free from knots, are glued together with a synthetic resin glue and the material is then sawed and turned in the usual way.

The difficulty of obtaining birch or hickory wood suitable for handles led to the development of this process, and production is expected to start early in 1945. If manufacture is carried out successfully, it may have an important effect on the post-war market in Sweden for United States tool handles. In prewar years Sweden was a leading export outlet for hickory handles from this country.

Textiles and Related Products

Clothing Trends in U. K.

Gay prints and fabrics of vivid colors will be more widely used in the United Kingdom this fall and winter than in the past several years, say British trade publications.

Heavy-weight coat materials are in strong demand. These coats are to be worn without interlinings which are in short supply.

Decreased Activity in Iran's Carpet Industry

Exports declined and sales activity in the Iranian carpet industry dropped off very sharply in the second quarter of this year. Stocks consisted mostly of larger carpets (sizes 9 by 12 feet and over), and increased slightly in the second quarter.

Despite a moderate decline in manufacturing costs, carpet production fell off steadily, as there appeared to be no desire to accumulate additional stocks.

Dye prices remained unchanged in June, but prices of woolen and cotton yarns dropped 20 percent below April quotations.

About 6,000 square meters of Saruks were said to be ready for sale at the end of June.

Cotton and Products

Cotton Situation in Egypt

During the 12 months ended August 31, 1944, cotton consumption in Egypt aggregated 874,639 cantars, compared with 891,452 in the preceding year. (1 cantar=99 pounds.)

Approximately 155,842 cantars of cotton were exported in August, bringing the 12-month total to 3,610,970 cantars. This was much higher than in the preceding year, when 2,070,095 cantars were shipped abroad.

Market conditions were quieter in August than in any other month of the year, because both buyers and sellers were awaiting an announcement of the Government minimum buying limits for the new crop. These prices, it is reported, showed an average increase of 20 percent over the preceding season.

Production and Imports, Iran

It is estimated that about 120,000 hectares are being devoted to cotton growing in Iran for the year ending March 21, 1945. Production is expected to total 11,000 metric tons of ginned cotton.

Because of reduced plantings, Iran has in recent years shifted from an exporting to a cotton-importing country. During 1943 approximately 4,500 tons were imported.

Synthetic Fibers and Products

British Guiana's Imports of Rayon Piece Goods

British Guiana imported 107,000 square yards of rayon piece goods during February, says a British trade publication. In the preceding month, 67,000 square yards were imported. These shipments are far below the average monthly totals of 130,000 square yards in 1943 and 121,000 in 1942.

Wool and Products

Argentina's Wool Exports

Exports of wool from Argentina totaled 28,290 bales in July, compared with 24,321 bales in the preceding month and 16,085 bales in July 1943. During the first 10 months of the wool year which began on October 1, 1943, 210,737 bales were exported. In corresponding months of the preceding year 148,373 bales were shipped. These cumulative totals amounted to 112,887 and 76,517 metric tons, respectively, on a grease basis.

Commercial stocks on July 1 of this year were equivalent to 158,553 metric tons on a grease-wool basis.

Export demand was low in July, but prices changed very little from those prevailing in June.

Exports and Imports, Chile

In the first 2 months of 1944 Chile exported 921,387 gross kilograms of sheep's wool, says a foreign commercial publication.

Among other items, Chile imported, from the United Kingdom, wool yarn with up to 70 percent silk, 2,379 kilograms (£1,653) and woolen fabrics, 562 kilograms (£1,675).

Increased Wool Consumption, Egypt

Egypt's war-born industries have increased domestic consumption of wool to such an extent that no wool has been exported since the latter part of 1941. In fact, early in 1944 approximately 400 metric tons of wool were imported.

It is estimated that toward the close of August, stocks comprised about 2,500 bales (of 450 pounds each). The next clip will not be on the market until February.

Iran's Wool Production and Consumption

Estimates on the quantity of wool produced in Iran during the year ended March 20, 1944, remain unchanged at 14,000 metric tons. For the current year, 12,000 tons are predicted, with a domestic consumption of about 8,000 metric tons.

Stocks at the end of August were unofficially estimated at 12,000 tons.

Miscellaneous Fibers

Flax-Growing Area Restored, U. S. S. R.

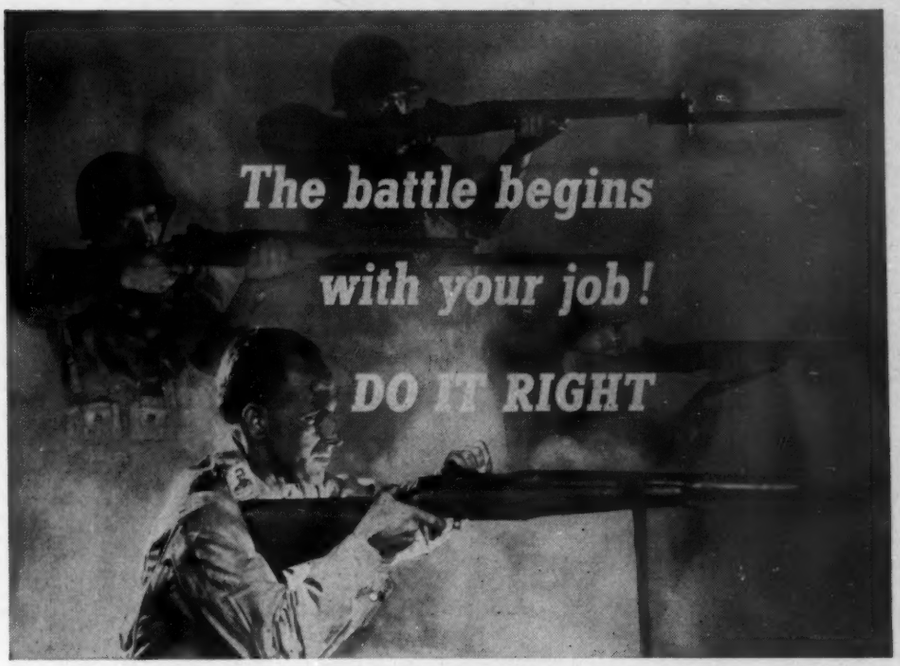
Kalinin region of U. S. S. R., once the largest flax-growing area of the world, is well on the way to regaining its former prominence.

The ravages of war in recent years had laid waste the fields and destroyed the equipment. After the German invaders were repelled, however, rehabilitation was quickly begun. Fields were tilled, farmhouses rebuilt, and livestock replaced. Where necessary, seeds were procured from the eastern district of the region, and, according to a foreign publication, about 400,000 acres of flax were planted last spring. This area is only about 75,000 acres less than that planted before the invasion.

Tobacco and Related Products

Production in Argentina

Production of tobacco in Argentina for the crop year 1943–44 has been estimated at 16,600 metric tons—an increase of 1,683 tons or 11.3 percent over 1942–43 production of 14,917 tons. The 10-year average from 1933–34 to 1942–43 has been officially placed at 15,323 metric tons.



The distribution of 1943–44 production by districts is as follows: Missiones, 6,205 tons; Corrientes, 4,940 tons; Salta, 4,672 tons; Tucuman, 277 tons; Jujuy, 181 tons; Catamarca, 155 tons; Cordoba, 84 tons; Chaco, 50 tons; and other areas, 36 tons.

Tobacco Growing, Bahia, Brazil

Weather conditions favorable to tobacco growing continued to prevail in the State of Bahia, Brazil, during August, and the Tobacco Institute at that time estimated the 1944–45 crop at from 300,000 to 350,000 bales of 75 kilograms each (49,500,000 pounds to 57,750,000 pounds), compared with 260,000 bales (42,900,000 pounds) in 1943–44. Stocks on hand in the city of Bahia on August 31 totaled 230,482 bales (38,029,530 pounds).

Tobacco Cultivation in Bulgaria

The cultivation of tobacco in Bulgaria has been receiving powerful stimuli during the past few years from German interests, say various Bulgarian press reports. In 1932 when Greece and Turkey represented formidable competitors, only 20,300 hectares were cultivated, but as soon as Germany became an important buyer of Bulgarian tobacco, the industry began to flourish.

Reports on the actual acreage during the war years are not in agreement—for instance, one source gives for 1940 and 1941, respectively, 50,000 hectares and 80,000 hectares (the tremendous increase in 1941 is attributed to the annexation—now nullified—of the former Greek provinces of Macedonia and Thrace), while another source reports the 1942 acreage at only 60,000 hectares. Both reports claim a substantial increase in 1943, however, one placing the area at nearly 97,000 hectares, the other at 100,000 hectares.

It is said that "as a result of German requests" Virginia-type tobacco is now being grown in increasing amounts; that an additional 12,500 hectares was to be planted exclusively to Virginia-type tobacco in 1944. Formerly, the southeastern States of Europe produced mostly oriental types of leaf.

Tobacco Imports, Canada

Tobacco entered for consumption in Canada during August 1944, as shown in an unrevised statement issued by the Canadian Department of National Revenue, consisted of 1,985,228 pounds of cut tobacco, 244,134 pounds of plug, 86,589 pounds of snuff, 1,097,374,902 cigarettes, 15,223,180 cigars and 176,265 pounds of Canadian raw leaf tobacco.

Excise taxes were paid on 17,197,682 cigars in August 1944.

Newfoundland's Manufacture and Consumption of Tobacco Products

Consumption of leaf tobacco in the manufacture of tobacco products in Newfoundland during the 6-month period ended June 30, 1944, is estimated at 684,000 pounds, consisting of 488,000 pounds of plug, 16,000 pounds of cut pipe-smoking tobacco, and 180,000 pounds of cut cigarette tobacco. During the same period, 93,000,000 cigarettes were manufactured and 91,000,000 cigarettes of domestic origin were consumed.

Imported tobacco products were consumed during the 6-month period January 1 to June 30 to the amount of 310,000 pounds, of which 140,000 pounds were plug and 170,000 pounds were cut smoking tobaccos. Imported cigarettes consumed during the period totaled 265,000,000.

Up to May of this year the State of Rio Grande do Sul, Brazil, shipped 800 metric tons of pyrethrum to the United States. In the District of Taquara, in that State, the cultivation of this product is being carried out on a large scale in an effort to fulfill domestic as well as United States needs.

Britain's Shoe Industry Looks Ahead to V-E Day

(Continued from p. 4)

ade, and just prior to the war their total value fell below the comparable total value of footwear imports into Great Britain. Subsequent efforts to stimulate this declining export trade in the national interest met with some measure of success.

Footwear exports during the first 5 months of 1937 were valued at £851,669 (U. S. $4,200,000). In the comparable months of the following year they were valued at £865,787 (U. S. $4,230 000), but in 1939 they dropped to £721,703 (U. S. $3,200,000). The next year found a sharp increase, exports during the first 5 months of 1940 having risen to £1,112,-035 (U. S. $4,260,000).

Reconversion—Sixth Phase

Many months have passed since the controls first went into effect in the United Kingdom, and already conditions which produced shortages of materials have been substantially modified. The British shoe industry soon will be faced with an enormous rebuilding program which should be somewhat simplified by the fact that manufacturers, even during the emergency, have insisted upon maintaining brand identity.

Fashion footwear, the greatest single factor in expanding sales, but one which absorbs only a relatively small quantity of material, will undoubtedly come into the limelight. Designers will be kept busy satisfying the demands of fashion-hungry women for new high styles. Men and women returning from military service will constitute a huge backlog of demand for civilian footwear. Greater variation in styles, better quality footwear, as well as a wider range of sizes and widths than in pre-war days, will inevitably result when reconversion to peacetime operations takes place.

There seems to be little danger that any British shoe manufacturers will be burdened with unused factory space, or that there will be unemployment in the footwear industry for many years to come. Realizing this, the industry already is seeking a modification of Government controls so that it will be in a position to meet peacetime demands.

Sweden's New Glass Factory

A large glass plant planned in Stockholm by the Cooperative Union will produce window glass and mirror glass, the latter being a new development in Sweden. The plant is to be located in the rapidly developing industrial section of south Stockholm.

Glass scrap and feldspar, which are used by other plants as substitutes for glass sand and soda, are said to be accessible in the Stockholm area.

U. S. Export Control and Related Announcements

(Developments communicated to the Trade Controls Unit up to Monday, October 16, 1944)

The Requirements and Supply Branch, Bureau of Supplies, Foreign Economic Administration, has issued the following Current Export Bulletins:

No. 568—Current Export Bulletin No. 198, October 9, 1944.

I. Information on Applications for Used Passenger Cars

Effective immediately, it is no longer necessary to include the engine number and the tire equipment on an application to export a used passenger car. The Comprehensive Export Schedule No. 15, page 156, paragraph 56, referring to rubber tires, casings, and tubes is modified to the extent hereby indicated. However, the application must state that the car is used and must show the year of manufacture, make, model, body type, ceiling price, and whether sold "as is" or "reconditioned and guaranteed," as well as answer other applicable questions on export application Form FEA 419.[1]

The exporter is reminded that used 1942 passenger cars are classified as new automobiles for export purposes and that used station wagons, used suburban carry-alls, and used light pick-up trucks are classified under the Schedule B number for used trucks, 7906.00.

II. Cane Mill for Farm Use Exportable Under LPL License

Cane Mills, farm size, Schedule B No. 7612.00, may be exported under LPL (Limited Production License) providing they are manufactured in accordance with WPB Limitation Order L–257a. Comprehensive Export Schedule No. 15, page 165, paragraph 2b, is amended accordingly.

III. Exports Containing Diamonds

A. General Provisions.

1. Effective October 15, 1944, the export of diamonds and commodities containing diamonds shall be authorized under the following provisions, which supersede those in Comprehensive Export Schedule No. 15, page 147. These provisions apply to all exports, even when sent by mail.

2. All packages containing diamonds, except when being exported under general license, must be submitted to the nearest Collector of Customs for examination prior to exportation. The Collector will compare the contents of the package with the description on the license. If the contents and license agree, the Collector will attach an appropriate Customs seal to show that the package has been inspected. It shall then be placed in the mail under Customs supervision.

If the contents of the package do not agree with weight or description as set forth on the license, the package will be returned to the licensee.

3. Applications for export licenses shall list diamond commodities under the appropriate general classification in paragraph B below, followed by other customary trade subclassifications and by the Schedule B number. It is also necessary that the supplier's name and full details of end use be given.

B. Definitions for Export Purposes.

1. Loose Diamonds.

a. *Gem Cut Diamond:* Any diamonds cut as gems.

b. *Industrial Diamonds:* Industrial-purpose diamonds in any form—rough, crushed, or cut, including therewith:

(i) Crushing Bort: The lowest quality of rough diamonds, or diamond fragments, suitable only for crushing into powder, and

(ii) Diamond Powder: Pulverized crushing bort.

c. *Rough Diamonds, Cuttable:* Suitable for cutting into gems and not reserved for industrial use.

2. *Tools Incorporating Diamonds:* Any tools or industrial devices, including metal slugs, which contain diamonds.

3. *Jewelry Containing Diamonds:* Any article classified as jewelry in Schedule B which contains diamonds.

4. *Miscellaneous Commodities Containing Diamonds:* Any article not otherwise classified above which contains diamonds.

C. Specific Commodity Requirements.

1. *Loose Diamonds, in any classification.* Descriptions on export documents and packaging shall conform to such current trade practices as are approved by the Collector of Customs. They may be listed separately, by groups in packets, or by quantity (e. g. small sizes, sand, or powder). With each type of listing, the total carat weight, current market value, and, when practicable, the number of diamonds over one-half carat shall be stated.

a. *Gem Cut Diamonds,* unset, weighing more than 1.25 carats. The description must include the type of old-fashioned or modern cut.

b. *Industrial Diamonds,* in any classification. Applications for export licenses will be approved only for essential war purposes as indicated by a satisfactory written explanation. Exceptions to this provision are noted in paragraphs 1–c and 2 below.

c. *Rough Diamonds,* in any classification. Any application for export license must be accompanied, when required under WPB Order M–109, by one copy of Form WPB–751 (PD 377), bearing sales approval by the War Production Board, Miscellaneous Minerals Division, New York, N. Y. This form will be retained by the FEA.

Rough Diamonds, Cuttable. Applications to export rough diamonds, cuttable, will not be considered for any destination except Cuba: Applications for export license must be accompanied by the triplicate copy of an "Application to Receive Diamonds", validated by the U. S. Embassy in Havana. Such exports may include crushing bort and diamond powder in weights proportioned to the diamonds, as follows: Crushing Bort 6¼%, Diamond Powder 31¼%, Rough Diamonds, Cuttable 62½%.

2. *Tools Incorporating Industrial Diamonds.* Separate descriptions shall be given for each tool, insofar as possible, by name, by the man-

[1] The requirement contained in this paragraph has been approved by the Bureau of Budget, under date of September 18, 1944, and approval No. BB 31–R050, in accordance with Regulation A pursuant to the Federal Reports Act of 1942.

Wartime Ingenuity Is Already Shaping Peacetime Miracles

ufacturer's name and catalog number, by the operating characteristics, type, model, size, and weight. When practicable, the number of diamonds exceeding 1 carat and the approximate total carat weight of diamonds contained should be stated.

a. *Tools Intended for Mining Use.* Applications for export license must include the mine serial number or a complete statement of the proposed end use, including the metals or minerals to be produced and their intended destinations. An explanation of how the tools would serve the war purpose or the economy of the country of destination must be included.

b. *Diamond Dies.* Dies shall be listed as unmounted or encased. They shall be described by the number of dies, size of hole, carat weight, and unit of value. Encased dies should be further identified by the manufacturer's serial number, if possible.

3. *Jewelry* containing diamonds, and *Miscellaneous Commodities* containing diamonds, shall be separately described by the kind of article and the material of which it is composed, by the total value of each piece, and by the diamonds in each piece, as follows:

a. Over 1 carat: List separately; state the carat weight and value of each and the type of old-fashioned or modern cut.

b. One-half to one carat: List the number of diamonds, the total carat weight, and the total value.

c. Under one-half carat: List the approximate number of diamonds, if possible, and the approximate total carat weight and total value.

D. Diamond Commodity Classifications.

All export documents shall list any diamond commodity under the appropriate Schedule B Classification and code number as follows:

Classification	*Schedule B No.*
1. Diamonds (loose):	
Diamond dust (include powder. Both are industrial)	5409.10
Diamonds suitable for industrial use, cut or uncut (include splints and bort)	5990.05
Diamonds, other than industrial (include gem cut or rough diamonds, cuttable)	5990.98
2. Tools Incorporating Industrial Diamonds:	
Diamond core drills (when containing diamonds)	7311.00
Diamond core drill bits and other mining and quarrying machinery and parts containing diamonds	7339.00
Diamond dies for power-driven metal-working machinery	7455.03
Diamond disc points, dental, and other dental instruments containing diamonds	9150.00
Diamond grinding wheels	5409.05
Hand tools incorporating industrial diamonds (include wheel dressers)	6178.91
Metal slugs containing diamonds	7485.12
Penetrators and other parts of hardness-testing machines containing diamonds	7740.05
Saws, diamond, circular	6155.15
Saws, diamond, other than circular	6156.05
3. Jewelry Containing Diamonds:	
Jewelry and other articles of solid gold or platinum containing diamonds	9620.00
Men's jewelry of metals other than solid gold or platinum containing diamonds	9621.00
Women's jewelry of metals other than solid gold or platinum containing diamonds	9623.00
Articles of other metals (except gold or platinum) containing diamonds	9626.00
4. Miscellaneous Commodities Containing Diamonds:	
Classify by name, as listed in Schedule B, with appropriate Schedule B number.	

IV. CHANGES IN GENERAL LICENSES

Commodity	Department of Commerce Schedule B Number	General license group, old	General license group, new	Effective date of change
Agricultural implements:				
Sprayers, small, for garden and household use (valued at less than $2) (for insecticides and disinfectants).	7809.00	None	K	Immediately.
Aluminum and Aluminum Alloy Products: Utensils, table, kitchen and hospital.	6307.00	None	K	Do.
Cycles and Parts: Bicycle parts and accessories (report tires in 2064.00).	7953.00	None	K	Do.
Electrical Machinery and Apparatus:				
Heating devices and parts, industrial, other (include commercial cooking ranges).	7074.90			
Parts for electric space heaters, immersion water heaters, hotel toasters, ranges, electric steam chef cookers and other commercial cooking devices.	7074.90	None	K	Do.
Other heating devices and parts, industrial, n. e. s.	7074.90	None	None	
Lighting fixtures and parts interior, fluorescent	7096.01			
Floor lamps, desk lamps, table lamps, vanity lamps, and other portable lamps and parts.	7096.01	None	K	Do.
Other lighting fixtures and parts, interior, fluorescent	7096.01	None	None	
Lighting fixtures and parts, interior, all types except fluorescent	7096.98			
Floor lamps, desk lamps, table lamps, vanity lamps and other portable lamps and parts.	7096.98	None	K	Do.
Other lighting fixtures and parts, interior, all types except fluorescent.	7096.98	None	None	
Refrigerator parts (include cabinets, motors, coils)	7059.00			
Commercial refrigerator parts	7059.00	None	None	
Household refrigerator parts	7059.00	None	K	Do.
Vacuum cleaner parts, electric, domestic	7069.30	None	K	Do.
Washing machine parts, electric, household	7068.30	None	K	Do.
Industrial machinery:				
Cotton gins, cotton presses, and parts	7671.00			
Cotton gins and cotton presses	7671.00	None	K	Do.
Parts	7671.00	None	None	
Paper-converting machinery and parts	7628.00			
Stencil-cutting machines and parts	7628.00	None	K	Do.
Other paper-converting machinery and parts	7628.00	None	None	
Machinery and parts, industrial, n. e. s. (include industrial automatic coal burners and stokers).	7750.98			
Coil winding machines, incandescent lamp	7750.98	None	K	Do.
Tanning machinery and parts	7750.98			
Tanning machinery	7750.98	None	K	Do.
Parts	7750.98	None	None	
Textile machinery and parts, n. e. s. (include bag-folding machinery, button-making machinery, hat-making machinery and linoleum and felt-base machinery.	7750.98			
Textile machinery, n. e. s.	7750.98	None	K	Do.
Parts	7750.98	None	None	
Machinery and parts, industrial, n. e. s.	7750.98	None	None	
Iron and Steel Manufacturers—Furniture and Fixtures:				
Bank vaults, doors and interior equipment (include burglary-resistive chests and safes, not insulated).	6134.00	None	K	Do.
Fire-resistive safes and vault doors (insulated)	6133.50	None	K	Do.
Other metal furniture and parts, whether or not upholstered (include garden furniture, metal, and lawn and porch swings, chief value of metal).	6137.00	None	K	Do.
Other office and store furniture, fixtures and parts	6135.00	None	K	Do.
Sheet-metal filing cases with exposed drawers (insulated)	6132.50	None	K	Do.
Sheet-metal filing cases with exposed drawers (not insulated)	6131.00	None	K	Do.
Sheet-metal shelving and wall bins (report wood bins in 4299.00)	6130.00			
Ash, coal, or coke bins	6130.00	None	None	
Construction material bins	6130.00	None	None	
Grain bins, commercial	6130.00	None	None	
Grain bins, farm	6130.00	None	None	
X-ray film loading bins	6130.00	None	None	
Sheet-metal shelving and other bins	6130.00	None	K	Do.
Sheet-metal storage cabinets, medicine cabinets and lockers	6129.00	None	K	Do.
Iron and Steel Manufacturers—Hardware:				
Hardware, other	6188.00			
Coffee mills, pepper mills, and corn mill grinders, hand	6188.00	None	K	Do.
Steel drapery hooks, rod rings, pole sets, curtain rods and tassels.	6188.00	None	K	Do.
Other hardware, n. e. s.	6188.00	None	None	
Iron and Steel Manufacturers—Miscellaneous:				
Other needles (except sewing machine, phonograph, and surgical).	6190.00			
Knitting machine needles	6190.00	None	None	
Other needles, n. e. s.	6190.00	None	K	Do.
Iron and steel manufactures, other (include bottle openers, hand bottle cappers, sheet steelware, steel stampings).	6209.98			
Bottle openers and cappers, hand	6209.98	None	K	Do.
Cake covers, frying pans, nested steelware, soup spoons, tablespoons, teaspoons, and other kitchen and household utensils, n. e. s.	6209.98	None	K	Do.
Canteens and parts, cash boxes, caskets, ice creepers, money change carriers, name plates, and washboards.	6209.98	None	K	Do.
Flatirons and sadirons, nonelectric, and parts	6209.98	None	K	Do.
Repair parts for scales and balances other than automatic scales and precision and laboratory balances and weights.	6209.98	K	K	
Stencils	6209.98	K	K	
Other iron and steel manufactures, n. e. s.	6209.98	None	None	
Lamps and Illuminating Devices, Nonelectric:				
Gasoline pressure lamps, lanterns and parts	9793.00			
Gasoline pressure lamps and lanterns	9793.00	None	None	
Parts	9793.00	None	K	Do.
Other lighting devices and parts except glass and electric	9799.00			
Lamp burners	9799.00	None	None	
Parts for miners' lamps and lanterns, and carbide and acetylene lamps and lanterns.	9799.00	None	None	
Other lighting devices and parts, n. e. s. (except glass and electric).	9799.00	None	K	Do.
Medical and Pharmaceutical Preparations: Mineral oil, white	8113.00	(*)	V-4	Do.

*Mineral oil was formerly controlled as a medicinal.

Commodity	Department of Commerce Schedule B Number	General license group, old	General license group, new	Effective date of change
Miscellaneous, n. e. s.:				
Bottle and container closures, n. e. s. (include all kinds, except cork, glass and rubber stoppers)	9680.00			
Metal beverage crowns	9680.00	None	None	
Other bottle and container closures, n. e. s.	9680.00	None	K	Immediately
Candles	9832.00	None	K	Do.
Fishing tackle and equipment suitable only for commercial fishing.	9849.00	None	K	Do.
Thermostatic bottles, carafes, jars, jugs and other thermostatic containers.	9685.01	None	K	Do.
Thermostatic container parts	9685.09	None	K	Do.
Office appliances:				
Other office appliances and parts (include dictating, mailing, letter-opening and numbering machines and check protectors and writers).	7779.00			
Check-protector ribbons, date-stamping machines and parts, file punches, Lin-a-time machines, numbering machines and parts, not coin-operated, ticket punches and parts.	7779.00	None	K	Do.
Other office appliances and parts, n. e. s.	7779.00	None	None	
Petroleum products:				
Black lubricating oils (not including high or medium viscosity index aviation lubricating oil).	5034.00	None	V-4	Do.
Light lubricating oil in small packages	5039.00	None	V-4	Do.
Lubricating greases	5041.00	None	V-4	Do.
Photographic and projection goods:				
Studio, photoengraving, coin-operated and similar types of cameras for professional, scientific or commercial uses.	9002.38			
Photoengraving cameras	9002.38	None	None	
Other studio, coin-operated and similar types of cameras for professional, scientific or commercial uses.	9002.38	None	K	Do.
Precious Metals and Plated Ware Except Jewelry:				
Silver-plated knives, forks, and steak sets (report iron and steel table cutlery in 6115.00).	6958.00	None	K	Do.
Silver-plated ware, other, including tableware, flatware, ornamental silverware, and manufactures, n. e. s.	6959.00	None	K	Do.
Sterling and other solid silverware, knives, forks, and steak sets	6955.00	None	K	Do.
Sterling and other solid silverware, other, including tableware, ornamental silverware, silver solder and manufactures, n. e. s.	6956.00			
Silver solder and silver-base brazing alloy	6956.00	None	None	
Other sterling and solid silverware, n. e. s.	6956.00	None	K	Do.
Textile, Sewing, and Shoe Machinery:				
Beaming, warping, and slashing machinery and parts	7542.00			
Beaming, warping, and slashing machinery	7542.00	None	K	Do.
Parts	7542.00	None	None	
Braiding and insulating machines and parts	7540.00			
Braiding machines	7540.00	None	K	Do.
Insulating machines	7540.00	None	None	
Parts for braiding and insulating machines	7540.00	None	None	
Carding and other preparing, spinning, and twisting machinery and parts, for cotton.	7506.00			
Carding and other preparing, spinning, and twisting machinery, for cotton.	7506.00	None	K	Do.
Parts	7506.00	None	None	
Carding and other preparing, spinning, and twisting machinery and parts, for wool.	7507.00			
Carding and other preparing, spinning, and twisting machinery, for wool.	7507.00	None	K	Do.
Parts	7507.00	None	None	
Carding, and other preparing, spinning, and twisting machinery and parts, other, including silk-throwing machinery and parts.	7508.00			
Carding, and other preparing, spinning and twisting machinery, other	7508.00	None	K	Do.
Parts	7508.00	None	None	
Dyeing and finishing machines and parts (report dyeing machines, dry cleaning in 7738.00).	7544.00			
Dyeing and finishing machines	7544.00	None	K	Do.
Parts	7544.00	None	None	
Knitting machines, circular hosiery, power-driven	7501.00	None	K	Do.
Knitting machines, circular, all others	7502.00	None	K	Do.
Knitting machines, full-fashioned hosiery, power-driven	7500.00	None	K	Do.
Knitting machines, all others, and parts	7504.00			
Knitting machines, other	7504.00	None	K	Do.
Parts for all knitting machines	7504.00	None	None	
Looms, cotton	7515.00	None	K	Do.
Looms, other (except cotton)	7516.00	None	K	Do.
Looms, parts for	7517.00	None	None	
Sewing machinery, industrial	7552.00	None	K	Do.
Sewing machine parts for factory or industrial use	7553.05	None	None	
Shoe-manufacturing and repairing machinery and parts (report shoe machinery in 7552.00).	7575.00			
Shoe-manufacturing and repairing machinery	7575.00	None	K	Do.
Parts	7575.00	None	None	
Textile machinery and parts, all other	7549.00			
Textile machinery, other	7549.00	None	K	Do.
Parts	7549.00	None	None	
Winders and parts, textile machinery	7505.00			
Winders, textile machinery	7505.00	None	K	Do.
Parts, winder, textile machinery	7505.00	None	None	
				1944
Vegetable and preparations: Potatoes, white	1211.00	K	None	Oct. 13.

Shipments of white potatoes which were on dock, on lighter, laden aboard the exporting carrier, or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license provisions.

No. 569—*Current Export Bulletin No. 199, October 9, 1944*

I. Mail Shipments to Members of the Armed Forces of the United States Do Not Require Export Licenses

Mail shipments to members of the armed forces of the United States which are sent to an APO address in care of the postmaster of a city in the United States (e. g., c/o Postmaster, New York, N. Y., c/o Postmaster, Miami, Fla.) or which are sent in care of a Fleet Post Office at a city in the United States (e. g., c/o Fleet Post Office, San Francisco, Calif.) are classified as *domestic* shipments. They are not regarded as exportations and hence do not come under the regulations and control of the Foreign Economic Administration.

II. SP (Special License Procedure Covering MRO Materials for the Foreign Petroleum Industry

A. Effective immediately, form WPB-743, which must be submitted in accordance with the instructions thereon, will be used in the place of the former Materials Requirements List as a supporting document for SP (Special) license or amendment applications covering maintenance, repair, and operating materials for the Foreign Petroleum Industry. This provision does not apply to those Forms WPB-743 submitted prior to September 30, 1944. WPB-743 shall be used for materials required in all operations not covered by Form WPB-3649.1, i. e.,

(1) All MRO material;

(2) All material for use in production, except for special production and natural gasoline production operations; and

(3) All other construction operations, including special production and natural gasoline production operations, if the total material cost for any one complete operation is $10,000 or less.

B. In order to obtain export authorization, the applicant must specifically list on the Materials Requirements List (WPB-743 or WPB-743-C) the following categories of items:

(1) Commodities listed in Schedule I, WPB Priorities Regulation No. 9 (as amended); and

(2) Commodities under total allocation (listing will be made available to holders of SP license through the Petroleum Administration for War).

Commodities other than those set forth above in (1) and (2) need not be listed in detail but in broad categories with the total dollar value.

C. Applications for new SP licenses shall be submitted to the Foreign Economic Administration on Form FEA 419 in sextuplicate.

In the case of amendments, Form FEA 419 need not be submitted, as authority to export will be given by the Foreign Economic Administration by means of a letter entitled "License—Authority to Export," containing the specific WPB-743 identification, the total dollar value, total weight, and the SP license identification, accompanied by the original copy of the approved WPB-743 or WPB-743-C.

D. With respect to commodities, other than those set forth in categories 1 and 2 of paragraph B, which are not listed in detail, the Foreign Economic Administration may require holders of SP licenses under this procedure to file monthly or other periodic reports of the quantities and types of goods exported within the total dollar limits established for such categories. The submission of such reports will be subject to the approval of the Bureau of the Budget under the Federal Reports Act of 1942.

E. Holders of SP licenses should not apply for individual licenses for materials, equipment, and supplies relating to approved projects or programs. Such individual license applications, if filed, will not be considered and will be returned without action. When placing orders, therefore, holders of SP licenses should instruct their suppliers not to apply for individual export licenses (Form FEA 419).

No. 570—*Current Export Bulletin No. 200, October 13, 1944*

I. Requirements for Consideration of Export Applications to Former Program License Destinations

During the first week under the new procedure for former program license destinations (Current Export Bulletin No. 188), a

large number of export license applications (FEA 419) were filed omitting the sextuplicate copy and the answer to question 5. This has necessitated returning without action a considerable number of applications. Therefore, exporters are reminded that applications for former program license destinations will be returned without action unless—

A. Question 5 of the FEA 419 is answered—either giving Import License number or indicating "none" in space provided.

B. The application (FEA 419) is accompanied by an additional copy (sextuplicate).

II. Modification of the "BLT" (Blanket) License Procedure

A. Effective immediately, the Foreign Economic Administration announces the extension of the "BLT" (Blanket) License procedure to permit the exportation to the other American Republics (except Argentina) of specific commodities (listed in Section D below) which are under the Decentralization Plan and require an import recommendation. In exporting these commodities under a Blanket License, however, exporters *may not ship* to any one consignee any commodity in excess of the amount specified on the individual import recommendation issued to the individual consignee. Other commodities will be added to this list if the present operation justifies such addition.

B. All prior announcements regarding the "BLT" (Blanket) License have stated that the procedure is applicable only to those countries which do not require an import recommendation or its equivalent for the commodities exportable under this procedure. This modification of the Blanket License procedure to apply to certain commodities now on the positive list under Decentralization is particularly important, therefore, in that it affords the exporters themselves an opportunity to control more effectively the distribution in a foreign country among the several consignees named on the Blanket License of the commodities at present in short supply.

C. Exporters may obtain the benefits of the Blanket License procedure for those commodities listed in Section D below where the commodities are in related groups and are destined to the same country, and where the total quantity requested does not exceed the total amount covered by all accompanying import recommendations, by making certification in quadruplicate in accordance with the procedure outlined in Comprehensive Export Schedule No. 15, pages 158 and 159. Such application must be accompanied by the import recommendations represented therein.

D. Commodities requiring an import recommendation which may now be exported under the Blanket License procedure are as follows:

Commodity	Schedule B No.
Cotton semimanufactures	3011.10 through 3013.20.
Cotton manufactures	3015.00, 3016.00, 3018.00, 3023.00 through 3140.00, 3171.00 through 3181.00, 3187.00 through 3189.00.
Wool semimanufactures	3633.00.
Rayon, nylon and other synthetic textiles.	3830.07, 3840.08, 3840.11, 3842.00, 3845.00 through 3857.70.
Miscellaneous textile products.	3911.00 through 3918.00.

E. Subject V of Current Export Bulletin No. 192, dated September 25, 1944, is amended to conform to the foregoing provisions.

III. Corrections—Current Export Bulletin No. 195 (Announcement 565 in Foreign Commerce Weekly For October 7) Subject II—Subsidy Refund Procedure For Export Sales of Dry Edible Beans

The Schedule of Refunds which forms a part of the Subsidy Refund Procedure for Export Sales of Dry Edible Beans (Bulletin No. 195, Subject II) should have indicated that the amounts noted for refund are "Per Hundredweight" of the classes of beans listed. (For example, in the case of an exportation of Medium White Beans, Grade U. S. No. 1, the refund for export in accordance with the provisions set forth is to be 30 cents *per hundredweight*.)

In addition, the type of beans which are classified as "Red Kidney" should be inserted into the schedule as follows.

Class	Refund per hundredweight	
	U. S. No. 1, U. S. No. 2	U. S. CHP, U. S. Extra No. 1
	Cents	*Cents*
Red Kidney	80	80

IV. Export of Automotive Replacement Engines

Automotive engines (less starting, ignition and fuel systems) to be used solely for replacement are classified under CMP 105.

Exporters are requested to enter on all license applications to export such commodities, included in the Schedule B Classification listed below, at the top of the space for Description of Commodities, the CMP Code No. 105 and the processing code index "AUTO." It is also requested that complete end-use justification in answer to question 14, FEA 419, be shown on the applications in order to limit exports of such engines to essential needs only.

Commodity	Department of Commerce schedule B number
Automobile, motor truck, and bus engines, gasoline (carburetor type)	7931.50
Automobile, motor truck and bus engines, Diesel and semi-Diesel, injection type	7931.30

V. Commercial Exports of Motor Gasoline or Motor Fuel

Effective immediately, the Foreign Economic Administration will approve export license applications covering commercial shipments of motor gasoline or motor fuel (Schedule B Nos. 5016.98, 5017.07, and 5017.98) only where the product is of regular grade as specified by the Petroleum Administration for War for domestic use.

This is in order to conserve ethyl lead, which is at present in very short supply; for that reason, the amount of premium gasoline that may be manufactured in the United States has been reduced, and the maximum octane number of regular grade gasoline has been decreased in those cases where ethyl lead is used to increase octane rating.

Exporters are requested to show on their export license applications the name of the gasoline or motor fuel and to state that it is their regular or house-brand grade.

VI. Errors—Comprehensive Expert Schedule No. 15

Comprehensive Export Schedule No. 15, upon review, is found to have contained a number of errors—typographical and factual—of a type common to a publication of this size, where speed of printing and distribution is essential. The corrections are listed below with page numbers. We suggest that exporters make the indicated changes in their copies of Comprehensive Export Schedule No. 15.

Advertising
Holds Friendship
of Those
You'll Sell Tomorrow

Page	*Correction*
7	In third paragraph, last line, insert "pages *207 to 211.*"
7 and 61	"Addressing machines and parts, equipment, accessories and supplies" should read: Addressing machines and parts equipment, accessories and supplies (include embossing machines and plates of fiber or metal) ____ 7762.98 Addressing machines, equipment, accessories, supplies and parts for assembly (including embossing machinery for plates) _ 7762.98 None SERV Repair parts __ 7762.98 K SERV
8	For "Tractors, used, wheel" Schedule B No. 7888.00, Processing Code should read *Farm.*
17	Cane mills—Change page reference from 106 to *112.* Under Carbon Manufactures, change procesing code on "Other carbon brushes and stocks", Schedule B No. 5474.01, to *GIEQ.*
18	Processing code on "Char, coconut shell, in any form", Schedule B No. 8297.05. should read *Chem.*
25	Under Cocoa, Coffee, and Tea, Schedule B No. for "Tea" should read *1505.00.*
28	Under Cotton Manufactures, Schedule B No. for "Printcloth, bleached" should read *3051.10.*
35	For "Feathers, crude, not dressed", Schedule B No. should read *0923.00.* Under Fertilizers and Fertilizer materials, Schedule B No. on "Potassium chloride as a fertilizer" "should read *8531.05.*
45	Under Iron and Steel—Band and scroll, "Band and scroll, stainless steel, not rolled" Schedule B No. 6038.59, should read *hot rolled.* Iron and Steel—Bars and Rods, Steel, Others—Change the page numbers on Special Provisions from 139 and 140 to *151 and 152.*
48	Under Iron and Steel Mfrs.—Structural Products, delete processing code STEE for "Tanks, storage, water, oil, gas and other storage tanks" etc. and change Schedule B No. on "Gas storage, pressure, 30 cu. ft. and over" to *6043.00.*
51	Under Leather, Schedule B No. for "Calf and kip upper leather, sides, other than black" should read *0305.10.* Schedule B No. for "Calf and kip upper leather, whole skins other than black" should read *0305.20.*
53	For "Macaroni", Schedule B No. 1077.00, the Gen. Lic. Group should read *K.*
55	Under Medicinal and Pharmaceutical preparations, Schedule B No. for "Cough, cold and bronchial preparations, n. e. s." (follows "Vitamins") should read *8154.89.*
56	Under Metal-Working Machinery, Schedule B No. for "Fixtures and devices for metal cutting tools suitable for use in power-driven tools" should read *7443.83.*
59	Under Miscellaneous—Notions, cheap novelties and specialties, n. e. s., insert: *Soap boxes* ____ *9840.98 K CDGS*
72	Footnote—First line should read: "*Oil field *pumps*—PETR"; last line should read: "Industrial pumps—*GIEQ*".
75	For "Saws, crosscut, hand, back and other saws and parts, other" Schedule B No. 6156.98, insert *BLDG* in Processing Code column and *None* in Gen. Lic. Group column. Under Scientific and Professional instruments, Apparatus and Supplies, change processing code on "Sextants" to *SHIP.*

Page	Correction
76	For "Selenium", Schedule B No. should read *6649.98*.
87	Under Vegetable Products, Misc., unit of quantity on "Broomcorn" should read *L. ton*.
91	Under All Other Commodities, n. e. s. *delete "Soap boxes"*.
92	For Annobon, Corisco and Elobey Islands (Spain and possessions), #82, delete "Selected Destination" in Special Area Procedure column.
93	Following "Congo (French), #73", entries should read: *G---------- GLV, GMDC, GEC, GPM.*
94	For French Congo, change GLE to *GLV* in Specific General License column.
95	For Mexico, change GMC to *G–MEX* in Specific General License column.
96	For Rio de Oro (Spain and possessions), #82, delete "Selected Destination" in Special Area Procedure column. For Rio Muni (Spanish Guinea), #82, delete "Selected Destination" in Special Area Procedure column. For Spanish Guinea, #82, delete "Selected Destination" in Special Area procedure column.
98	In paragraph 3*a*, line 4, insert "pages *115–118.*" In paragraph 3b, line 3, change "part 16" to *"part 18"*.
108	For Methyl methacrylate, insert *$1.00* in Value limits column. For Pyrethrum, insert *$1.00* in Value limits column.
120	In paragraph 5*a*, item 4, Ship Stores, Supplies and Bunker Fuels, change "pages 188–189" to "pages *187–188*".
127	At end of paragraph *f*, add *"and in Part 4, pages 158–168."*
134	In item 13, lines 3 and 4, change "paragraph *b*, page 118" to "paragraph *c*, page *127*."
139	In paragraph 37*c*, line 3, change "page 183, part 17" to *"page 199, part 19"*. In item 3, list of Related Commodity Groupings, the Schedule B Nos. on "1. Animals, edible" should read *0010.00 thru 0019.00*.
140	Schedule B Nos. on "25. Nuts" should read *1374.00 thru 1379.95*. Schedule B Nos. on "28. Coffee and tea" should read *1505.00 thru 1512.00*.
141	In "135. Chemical specialties, except commodities requiring a Certificate of Necessity", change Schedule B Nos. 8260 thru 8294.00 to *8260.01 thru 8294.00*.
145	In paragraph 13*d* insert *"Yarn, carded"* under "Print Cloth Yarn Fabrics:"
154	In item 45, paragraph *a*, line 1, change "exgrt" to *"export"*. In item 48, third paragraph, line 2, change "or" to *"of"*.
160	In paragraph 1*b*, line 3, change "page 104" to "page *164*".
164	Change the item number on RADIO RECEIVING TUBES from 94 to 4.
167	In paragraph 5*a*, delete the first three lines and substitute therefor: *"WPB Order M–148 and Priorities Directive 3 were revoked by the War Production Board on"*. In paragraph 5*c*, line 7 change "supplier" to "producer".
179	After "Copper and copper-base alloys", add Schedule B No. *6610.00* to these entries: CMP Code No. 3021 — Schedule B No. 6448.01 3011 — 6450.00 3041 — 6453.00 After "Copper and copper-base alloy castings, CMP Code No. 3201, Schedule B No. 6479.13" add Schedule B No. *6610.00*.
180	Under "Iron and Steel Manufactures", after "Steel, carbon and alloy, CMP Code No. 2511," insert *X* in *Cuba Column*. Footnote 3 should read: *"Cotton ties made of steel wire, included under Schedule B, No. 6091.01, are controlled materials and require Import Recommendations. Cotton ties made of steel strip are Class B products and therefore do not require import recommendations."*
181	In paragraph 3*b*, subparagraph iv, line 1, change "quality" to *"quantity"*.
204	In item 14*a*, second paragraph, line 2, change "page 187" to "page *202*".
207	For "Action on Technical Data License Applications", change page reference from 205 to *204*.
209	For "Mail Shipments: SP License Shipments", change part and paragraph reference from 14–3 to *16–2*. For "Personal Property of Foreign Citizens in U. S. Army, Exportation of", insert part reference *V* and page reference *115*.
210	For "Preference Ratings and Supply Assistance: M–148, Replaced by WPB Directive 27", change part and paragraph reference from B3 to *B5*. For "Products and Priorities—WPB Publication", change part and paragraph reference from Note 7 to *Note 6*. For "Project Licenses", insert *10* as part reference.
210	For "Technical Data and Publications", change page reference from 202–207 to *201–206*. For "Technical Data and Publications: Newspapers", change page reference from 202 to *201*. For "Technical Data and Publications: Periodicals, Catalogs, and Pamphlets", change page reference from 202 to *201*.
211	"War Production Board Releases" should read "War Production Board *Forms*".

Price Control

Import Price Control (Circular No. 7).

The Office of Price Administration has issued Amendment 6 to the Maximum Import Price Regulation on October 9, 1944, to become effective October 14.

The modifications made by this Amendment are very slight and are only of a mechanical or procedural nature. As pointed out in the Statement of Considerations Involved, the changes made by this Amendment do not introduce any new basis of adjustment in the regulation.

The text of the Amendment, together with the statement of considerations involved in its issuance, follows:

PART 1371—IMPORT PRICES

[Maximum Import Price Reg.[1] Amdt. 6]

A statement of the considerations involved in the issuance of this statement, issued simultaneously herewith has been filed with the Division of the Federal Register.*

The Maximum Import Price Regulation is amended in the following respects:

1. The words "Subpart B" are deleted from the last subparagraph of paragraphs (a) and (b) of section 5 and from section 10 and the words "Article III" are substituted therefor.

2. Paragraph (c) of section 5 is redesignated paragraph (d) and the words "to an industrial user" are deleted therefrom.

3. A new paragraph (c) is added to section 5 to read as follows:

(c) The Price Administrator may grant an adjustment of maximum prices for a group or class of industrial users where and to the extent that he finds that the members of the group or class would generally be entitled to adjustments if they made individual applications under this section.

This Amendment No. 6 shall become effective October 14, 1944.

(56 Stat. 23, 765; 57 Stat. 566; Pub. Law 383, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681)

Issued this 9th day of October 1944.

CHESTER BOWLES,
Administrator.

STATEMENT OF CONSIDERATIONS INVOLVED IN THE ISSUANCE OF AMENDMENT NO. 6 TO THE MAXIMUM IMPORT PRICE REGULATION

This amendment makes two changes in the Maximum Import Price Regulation. One change, which is entirely a matter of form, substitutes the term "Article III" for the term "Subpart B" where references are made in Sections 5 and 10 to Revised Procedural Regulation No. 1. These references are thus made to conform to the present terminology of Revised Procedural Regulation No. 1.

The other and more important change in the Regulation which is made by the present Amendment permits the Price Administrator to grant an adjustment of maximum prices for a group or class of industrial users where and to the extent that they would be generally entitled to individual adjustments if they made application under Section 5. The Price Administrator is likewise authorized, when adjusting maximum prices for industrial users, to make similar adjustments in maximum prices for wholesalers and retailers of the commodity.

Since the Regulation has previously allowed individual adjustments, and since this Amendment merely provides for the making of collective or consolidated adjustments where individual adjustments could otherwise be secured, the result is not to introduce any new basis of adjustment or materially to affect the general price level.

Issued this 9th day of October 1944.

CHESTER BOWLES,
Administrator.

[1] 9 F.R. 2350, 7504, 8062, 10925.

*Copies may be obtained from the Office of Price Administration.

Courtesy Office of War Information

Plans for the expansion of the drug output in Chile announced by the National Corporation for the Development of Production, include a subscription of 4,000,000 pesos for this purpose, according to the foreign press.

New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Interest to Businessmen Appearing in the Department of State Bulletin October 8, 1944

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for the price of 10 cents each; subscription price $2.75 a year. The October 8 issue contains these articles:

COMPENSATION FOR PETROLEUM PROPERTIES EXPROPRIATED IN MEXICO.

INTER-AMERICAN INSTITUTE OF AGRICULTURAL SCIENCES, BY EDGAR S. FURNISS, JR.

THE COSTA RICA-PANAMA BOUNDARY DEMARCATION, BY SOPHIA SAUCERMAN.

THE ANGLO-AMERICAN CARIBBEAN COMMISSION: ADDRESS BY CHARLES W. TAUSSIG.

PLANS FOR ECONOMIC REPORTS FROM LIBERATED AREAS.

INTERNATIONAL PEACE AND SECURITY ORGANIZATION:

Washington Conversations: Statement by the President; Statement by the Secretary of State.

Report to the Secretary of State Submitted by the Chairman of the American Delegation.

Statement Issued Simultaneously by the Participating Governments.

Proposals for the Establishment of a General International Organization.

Conclusion of the second Phase of the Conversations.

Remarks by the Under Secretary of State at the Closing Session.

Remarks by Ambassador Koo at the Closing Session.

Remarks by the Earl of Halifax at the Closing Session.

Joint Statements by Heads of American, British, and Chinese Delegations.

Final Meeting of American Delegation.

INTERNATIONAL CIVIL AVIATION CONFERENCE.

EXPIRATION OF CERTAIN AGREEMENTS BETWEEN THE UNITED STATES AND HAITI UPON TERMINATION OF HAITI-DOMINICAN COMMERCIAL TREATY.

Other Publications

INQUIRY REFERENCE SERVICE. U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

—POST-WAR PLANNING (BASIC INFORMATION SOURCES). September 1944. Rev. 27 pp.

—MOTION-PICTURE MARKETS 1944: EUROPE AND ATLANTIC ISLANDS. 1944. 102 pp. Presents latest available data on motion-picture markets in Europe and in the islands of the Atlantic, to aid American motion-picture producers and distributors in formulating their post-war plans for these areas.

Available gratis from: Bureau of Foreign and Domestic Commerce, Washington 25, D. C.

U. S. MERCHANT MARINE AT WAR. War Shipping Administration. 1944. 34 pp. Report of the operations of the War Shipping Administration from its beginning to December 31, 1943, and including in some instances the early part of 1944.

Available from: War Shipping Administration, Washington 25, D. C.

WAR CHANGES IN INDUSTRY SERIES. United States Tariff Commission.

—RAW WOOL. December 1943. 20 pp. Report No. 1.

—INDUSTRIAL ALCOHOL. January 1944. 67 pp. Report. No. 2.

—UNITED STATES STOCK-PILE WOOLS: THEIR RELATION TO THE PRESENT WOOL SITUATION AND TO POST-WAR SUPPLIES. May 1944. 27 pp. Report No. 3.

—MERCURY. June 1944. 21 pp. Report No. 4.

—DEHYDRATED VEGETABLES. September 1944. 26 pp. Report No. 5.

—RUBBER. September 1944. 102 pp. Report No. 6.

Available gratis from: United States Tariff Commission, Washington 25, D. C.

GLOSSARY OF TERMS USED IN TELECOMMUNICATION. British Standards Institution. 1943. 107 pp. B. S.204: 1943. Price, $1.25. Defines, standardizes, and coordinates the technical terms used in telecommunication.

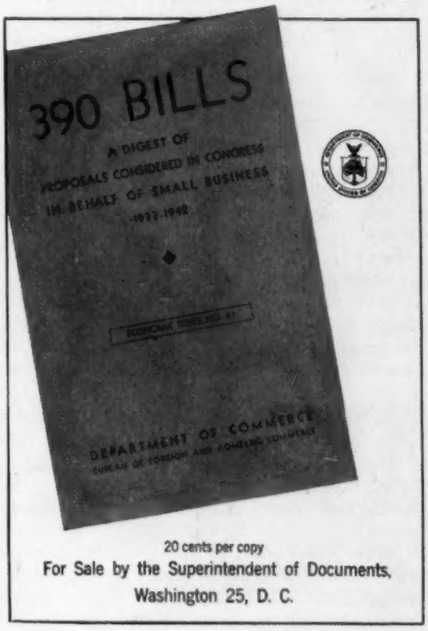
Available from: American Standards Association, 70 East 45th Street, New York 17, N. Y.

RESEARCH AND POST-WAR PLANNING. United Nations Information Office. Additional volumes listing sources of information for those interested in post-war planning.

—PART XV. SURVEY OF AGENCIES (GREAT BRITAIN). 1944. Price, $1.

—PART XVI. Two parts: SURVEY OF AGENCIES and BIBLIOGRAPHY. 1944. Price, $1, each part.

Available from: United Nations Information Office, 610 Fifth Avenue, New York 20, N. Y.



20 cents per copy
For Sale by the Superintendent of Documents,
Washington 25, D. C.

Contributors' Column

Charlotte R. Budd ("Britain's Shoe Industry Looks Ahead to V-E Day").—See the August 12, 1944, issue of FOREIGN COMMERCE WEEKLY.

Murray Frank ("Fisheries of Central America").—See the March 25, 1944, issue of this magazine.

Aldene Barrington Leslie ("Brazil's Chemical and Drug Industry and Trade Expand").—See the September 16, 1944, issue.

British Colonies' Hardwoods For Plywood

The established suitability of hardwoods for the manufacture of plywood is considered of importance to the future industrial development of colonies in the British Empire, according to a United Kingdom trade publication. Many of these regions have abundant hardwood resources, and in two—West Africa and Ceylon—plywood mills have been erected.

The manufacture of the simpler forms of plywood may well be undertaken in other parts of the Empire after the war, it is stated, since it would seem to the interest of the colonies to export timber in the form of veneers or, where possible, as plywood, rather than in the log.

As a result of experiments at the Ceylon Government Plywood Factory, several new uses have been developed for waste plywood veneers, a British lumber journal reports. The veneer has been used successfuly on tea plantations to protect young plants.

Trade-Mark Applications

Argentina.—Notice of applications for registration of the following trade-marks was published in the Boletin Oficial of September 19, 1944. Opposition must be filed before October 23, 1944:

Trade-mark	*Class No. and product*
Real	5—Entire class.
Beacon	2—Entire class.
Geka	14—Entire class.

Brazil.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class No. and product	Date of publication
		1944
Crisantox	3—A pharmaceutical preparation	Sept. 28
Primer	8—Precision instruments, scientifical instruments and apparatus for useful purposes; instruments and apparatus for teaching.	Do.

Chile.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial of October 2, 1944. Opposition must be filed within 30 days from date of publication. All are class No. 75, drugs and pharmaceutical products:

Trade-mark	
Endomone.	Sulfotox.
Lutromone.	Cycol.
Uicirolan.	Trinilingual.
Ulcigastrol.	Nitrolingual.
Piropetrol Sicoa.	Angiolingual-Silbe.
Dedete.	Cardiolingual.
Vedete.	Dastremin.
Alcaroid.	Dastrelisan.
Ditopax.	Dastargol.
Neonyl.	Chademin.
Fodinyl.	Chadelisan.
Primonyl.	Chadergol.
Priodax.	Premopan.
Priodaxe.	Koperan.
Paxol.	Kaoperan.
Feminosan.	Kavitcal.
Vigofortal.	Triniverina-Silbe.
Gesaryl.	Yocol.
Igran.	Salicol.
Teofen-Raurich.	Reucol.
Laboratorio Condell.	Dosuben.
Laboratorio Condor.	Subendo.
Laboratorio Morris.	Bensudon.
Vencedol.	Kasuben.
Supridol.	Visuta.
Nomasdol.	Polynervin.
Fosfosal.	Fosbetin.
Fosfoiosal.	Pasfynerva.
Bifosal.	Pasfybetan.
Trifosal.	Omnitol.
Uresanil.	Nervostabil.
Genciol-Raurich.	Properistol.
Oxiurol-Raurich.	Plurifytol.
Vioxil-Raurich.	Befytasa.
D. D. T.	Sistonin.

Uruguay.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within 30 days of publication:

Trade-mark	Product	Date of publication
		1944
Heartbeat	Perfumery and toilet	Sept. 11
Leigh	do	Do.
Dulcinea	do	Do.
Risque	do	Do.
Poetic Dream	do	Do.
Schenley	Drugstore and chemical products.	Sept. 11
Movil	Shoes, boots, and leather goods.	Sept. 12
Lakme	Drugstore and chemical products.	Sept. 14
Gesarol	do	Sept. 15
Gesapon	do	Do
Gesarex	do	Do.
Neocid	do	Do.
Ddt	do	Do.
Wov-A-Loy	Transport in general	Do.
Hiwarindustro	do	Do.
Wyrbac	do	Do.
Wisconsin	do	Do.
B B	do	Do.
Uncle Sam	Tobacco, cigars and cigarettes.	Sept. 18
Ark Royal	do	Do.
Warren	Hardware and bazar goods	Sept. 14
Epanutin	Drugstore and chemical products.	Sept. 18
Vencedol	Arms	Sept. 19
Total	Drugstore and chemical product.	Sept. 20
Flor	Textiles, drygoods, ready-to-wears.	Sept. 21
Collofer	Drugstore and chemical product.	Sept. 18
Bilipar	do	Do.
San Francisco	Groceries and foodstuffs	Sept. 22
El Cairo	Furniture, upholstery, carpets, oil-cloth, linoleum, carpentry, barrels, etc.	Do.
Opaluz	Hardware and bazar goods	Do.
Plouvier	Perfumery and toilet	Do.
Cre	Hardware and bazar goods	Sept. 21
Teliko	Categories 15 and 25	Sept. 19
Eureka	Stationery, books, printed material.	Sept. 26
Ariel	Beverages	Do.
Dokow	Textiles, dry goods, ready-to-wears, and tailors' materials, hats, etc.	Sept. 25

Brazil's Chemical and Drug Industry and Trade Expand

(Continued from p. 11)

Carbon black and lampblack, imported from the United States, are used in considerable quantities in the manufacture of printing ink, automobile tires, miscellaneous rubber goods, paints, carbon paper, and other products.

The output of the printing-ink establishments has increased to the point where it provides substantially all domestic requirements. Imports during recent periods are primarily in special types of inks, such as those for printing on cellophane, metal, and other special printing and lithographic work.

Fertilizers and Materials

The use of chemical fertilizers in Brazil started to gain impetus only about 15 years ago when the Federal and State agricultural departments encouraged farmers to employ these aids to agriculture and permitted their importation free of duty. When conditions again become normal, the fertilizer trade in this agricultural country is expected to show a significant expansion over the small amounts traditionally utilized.

A number of local firms are engaged in the preparation and distribution of natural fertilizers of domestic origin, such as bonemeal, dried blood, castorbean and cottonseed wastes, coffee ashes and husks, as well as other animal and vegetable residues. One firm produces natural phosphate and superphosphate, although output has not developed to meet the full demand. Actual production of superphosphate in 1944 is estimated to reach 5,000 tons in a plant which started operations in 1942. Capacity of the plant, however, is about 30,000 tons annually.

Other than superphosphate, requirements for chemical fertilizers are imported. Fertilizers imported in 1939 amounted to 59,000 metric tons valued at $1,500,000.

Fertilizer firms customarily mix the chemical fertilizers with natural organic products, according to particular crop needs and formulas, marketing these mixtures under their own trade-marks.

Cotton, vegetables, tobacco, sugarcane, coffee, and rice are the crops for which fertilizer has been most frequently applied. However, fertilizers have been utilized only on a small percentage of the total acreage planted in Brazil. The State of São Paulo consumes from 80 to 90 percent of all fertilizers used in Brazil.

Drugs and Medicinal Products

The per capita consumption of drugs and medicinals in Brazil is exceedingly high. Heavy import duties on medicinal and pharmaceutical preparations have been conducive to the establishment of local compounding activities—a movement accentuated in recent periods. The marked expansion in scope and volume of preparations produced locally has indicated an important stride toward self-sufficiency in these lines, although the industry is still largely dependent on foreign sources for its primary pharmaceutical chemicals.

Following Brazil's entry into the war, several internationally known German laboratories were taken over by the Brazilian Government and operated under the supervision of Brazilian administrators. At present they are in process of Government liquidation and sale, with a view toward complete nationalization of these important firms.

The war has stimulated Brazil's export trade in medicinal and pharmaceutical preparations. With a few exceptions—notably caffeine and theobromine which were shipped exclusively to the United States and represent a significant portion of the total value of exports—the trade is predominantly with other Latin American countries. More recently, emetine is assuming importance as an export item.

Reflecting the increased local compounding activities as well as wartime supply restrictions, the volume and value of imports of drugs, medicinals, and pharmaceuticals were drastically reduced in 1943. It is estimated that on a

value basis, the United States supplied about 65 percent of recent import trade, or more than the percentage of the total trade which was enjoyed by Germany immediately preceding the war. Imports of medicinal and pharmaceutical preparations were valued at nearly $5,000,000 in 1939.

The United States, Great Britain, and Portugal are the outstanding countries of origin for various medicinal barks, leaves, seeds, and roots utilized in the medicinal industry. Annual value of imports is approximately $75,000.

Perfumery and Toiletries

A relatively large market exists in Brazil for perfumes, cosmetics, soaps, and miscellaneous toilet preparations, the annual sales of which total many millions of dollars. Protected by high customs duties, the domestic industry is estimated to supply about 90 percent of the demand. To be able to meet this domestically favored competition, many well-known American and European manufacturers have established branch compounding activities in Brazil.

The degree of success attending the efforts of firms in introducing new products in this market is greatly influenced by advertising and initial sales work. Based on a percentage of total sales, allowances are customarily set aside each year to keep products before the public.

The Brazilian industry is now approaching a point which permits of some exportation. At the same time, an import trade continues, this being limited for the most part to the United States and Great Britain at present, although a few products arrived from Argentina and Uruguay. Before the war France was the most important country of origin. The United States, however, maintained an important share in such items as face creams, lotions, and skin tonics, and furnished the bulk of imported lipsticks. Today the import trade is primarily in high-grade articles.

Other Chemical Products

Explosives

Consumption of commercial explosives has increased considerably since 1939, owing to the large number of new construction projects (railways, roads, tunnels, electric plants) and to the increased exploitation of mineral ores. More than half of the present consumption is said to be produced locally. A variety of explosives is produced both by plants operated by the War Department and by private firms. No detailed information is available to the public.

Naval Stores, Gums, Resins

Substantial requirements of rosin, much of which is used in the soap industry, are traditionally supplied from the United States. The United States is also the outstanding country of origin for turpentine imports, although occasionally a small amount arrives from Portugal. Genuine shellac is not produced in Brazil; however, a recent development is the production of pine-knot gum which can be used as a shellac substitute for some purposes. The southern area of Brazil has extensive forests of Parana pine and the supply of pine knots, a byproduct of lumber operations, is plentiful. Recent imports of various gums, resins, and balsams, such as Arabic, tragacanth, karaya, benzoin, tolu, and Peru balsams have been on a reduced scale as a result of wartime supply conditions. They are in greatest demand by the varnish, pharmaceutical, medicinal, perfumery, and soap industries.

However, natural organic products for use in medicine and industry have traditionally comprised an important group of commodities in Brazil's domestic and export trade. With other sources of supply cut off, the demand for many of these has been exceedingly active. Outstanding among these is carnauba wax, exported largely to the United States. Ouricury wax, a relatively new export product, has had an increasing demand in recent years as a substitute for carnauba. The oiticica crop, which also is largely supplied to the United States, was considerably reduced in 1943. Another commodity, Jutahycica gum, is employed locally to substitute rosin in making ester gums for the paint industry.

Foreign Trade in Chemicals

Brazilian foreign trade in chemicals and allied products advanced markedly in 1943 in comparison with 1939, total imports approximating $37,678,000 and exports $23,374,000. The effects of recent manufacture of certain items is evident; for example, large increases were recorded in imports of coal-tar and other synthetic organics, in industrial chemicals, and in pigments, for use in the production of finished goods, and declines were recorded in medicinals and paints and varnishes.

Although the bulk of Brazil's export trade in chemicals and allied products is in botanicals, oils, waxes, and other natural organic products, the exportation of medicinal and pharmaceutical preparations, as well as miscellaneous chemicals and chemical specialties, has shown marked increases. With the exception of caffeine, substantially all of which was purchased by the United States, other Latin American countries, particularly Colombia, Venezuela, Cuba,

Latin American Exchange Rates

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollar to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to a dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1942 (annual)	1943 (annual)	Aug. 1944 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	Sept. 16, 1944
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market		4.06	4.0450	4.035	.2478	Do.
Bolivia	Boliviano	Controlled	46.46	42.91	42.42	42.42	.0236	Sept. 26, 1944
		Curb	49.66	45.42	50.00	53.50	.01869	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	Sept. 11, 1944
		Free market	19.64	19.50	19.565	19.50	.0513	Do.
		Special free market	20.52	20.43	20.30	20.00	.0500	Do.
Chile	Peso	Special	19.37	19.37	19.37	19.37	.0516	Sept. 23, 1944
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Free market	31.75	32.37	31.69	31.90	.0313	Do.
		"D. P." [2]	31.13	31.00	31.00	31.00	.0323	Do.
Colombia	do	Commercial bank	1.75	1.75	1.75	1.746	.5727	Do.
		Bank of Republic	1.76	1.76	1.76	1.755	.5698	Do.
		Curb	1.77	1.76	1.75	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.71	5.65	5.6776	5.68	.1760	Aug. 30, 1944
		Controlled	5.62	5.62	5.67	5.67	.1764	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	Sept. 23, 1944
Ecuador	Sucre	Central Bank (official)	14.39	14.10	14.10	14.10	.0709	Sept. 26, 1944
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Sept. 5, 1944
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Sept. 15, 1944
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	Sept. 16, 1944
		Curb		5.16	5.76	5.60	.1785	Do.
Paraguay	Paper peso	Official	333.00	[3] 333.00				
	Guarani [4]	do		3.10	3.09	3.09	.3236	Sept. 5, 1944
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Sept. 23, 1944
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Sept. 5, 1944
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Sept. 23, 1944
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	Sept. 5, 1944
		Free	3.45	3.35	3.35	3.35	.2985	Do.

[1] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since Nov. 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.
[2] Disponibilidades proprias (private funds).
[3] Used until Nov. 7, when the paper peso was replaced by the guarani.
[4] New currency unit instituted as of Nov. 8, 1943.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Mexico, and Bolivia, are the most important outlets for these latter Brazilian products.

The following table shows the trade by chemical groups and principal items in 1939 and 1943:

Brazilian Chemical Foreign Trade, Principal Products, 1939 and 1943

Item	1939		1943	
	Quantity (in metric tons)	Value (in thousands of dollars)	Quantity (in metric tons)	Value (in thousands of dollars)
IMPORTS				
Coal-tar and other synthetic organics, Total	3,788	3,979	6,131	7,092
Aniline and other dyes	775	2,244	1,753	4,625
Synthetic aromatics	63	602	46	55
Naphthalene	160	14	1,082	288
Dye intermediates	337	317	289	338
Industrial chemicals, Total [1]	170,529	10,866	230,277	19,492
Acids	1,149	439	611	388
Salt for industrial uses	95	2	53,980	1,031
Sodium bicarbonate	1,641	78	3,904	296
Soda ash	21,657	673	43,838	2,806
Potassium chlorate	1,079	169	456	390
Sodium sulfides	2,073	110	3,532	374
Sodium sulfate	7,668	138	6,548	251
Caustic soda	33,862	2,286	60,254	5,287
Chemical specialties, Total	4,541	1,521	3,211	1,237
Agricultural and household insecticides	1,847	417	1,498	416
Chrome tanning materials	536	78	368	90
Pharmaceutical chemicals and medicinals, Total	606	4,686	306	2,496
Quinine and salts	9	192	1	47
Other alkaloids and salts	8	102	2	100
Medicinal injections	38	1,330	12	586
Pigments, paints, varnishes, Total	8,697	1,743	10,291	2,452
Carbon or lamp black	897	131	2,261	459
Zinc oxide	3,428	320	1,875	501
Paints and varnishes	1,066	555	584	279
Printing ink	294	206	95	155
Fertilizers and materials, Total	58,793	1,519	26,982	1,334
Sodium nitrate	1,014	30	6,086	270
Chilean nitrate	22,487	675	9,064	463
Superphosphates	21,381	346	6,765	285
Potassium chloride	3,015	106	3,632	229
Perfumery, toilet preparations	31	272	19	245
Crude drugs, gums, other natural products, Total	21,710	2,115	22,062	3,330
Rosin	16,626	1,045	14,412	1,784
Turpentine	745	119	606	234
Quebracho extract	2,002	127	6,219	710
Grand total [2]	268,695	26,701	299,279	37,678
EXPORTS				
Medicinal and pharmaceutical products, Total	62	148	270	3,384
Caffeine and salts	([3])	([3])	116	2,334
Medicinal injections			37	527
Miscellaneous chemical products	505	57	1,341	1,218
Oils, waxes, gums, resins, Total	20,916	8,448	28,000	16,697
Carnauba wax	10,000	6,000	9,046	11,351
Ouricury wax	193	75	1,595	1,426
Oiticica oil	9,284	1,714	972	400
Castor oil	583	92	12,629	2,441
Herbs, leaves, roots, extracts for medicinal and industrial uses, Total [4]	1,103	392	1,323	676
Other natural organic chemical and fertilizer materials	26,252	1,276	11,333	1,399
Beeswax	965	394	702	542
Tankage	8,823	254	3,662	201
Dried blood, ground	3,566	127	3,225	174
Grand total	48,838	10,321	40,267	23,374

[1] Includes cellulose for paper manufacture.
[2] Explosives not included.
[3] Not available, new industry.
[4] Includes pyrethrum flowers and rotenone roots, figures confidential.

Prepared by Chemical Unit, Bureau of Foreign and Domestic Commerce.

Outlook for U. S. Trade

The automatic shift of many Brazilian import requirements from European to United States suppliers, which occurred at the outbreak of hostilities, has given American products an advantage that should be of assistance in the maintenance of this market after the war. Although the domestic chemical industry has undergone marked expansion in recent periods, it is still in its infancy as compared with more highly industrialized countries, and it remains dependent upon outside sources for miscellaneous basic chemicals.

In line with the little-developed, although increasing, consumer outlets in a country where the standard of living of the masses is low, industrial-production schedules of individual plants are relatively small and with corresponding high unit-cost of products in many instances.

The post-war field is open to increasing development not only in the establishment of national industries but in supplying the growing market for miscellaneous chemicals not produced in the country. High protective tariffs presumably will give advantage to products manufactured locally, although low manufacturing costs of large-scale manufacture in the United States and the high quality of American products have been able to offset this factor in numerous instances in the past.

Mexican Fats and Oils Meet Wartime Challenge

(Continued from p. 7)

clined by only 87,000,000 pounds (1943 compared with 1941), the rising per capita consumption, population increases, and, most important, the slight degree of interchangeability between hard and soft fats have created a domestic demand above the pre-war level.

This situation has acted to deter Mexico from expanding crops for export. Shipments of fats and oils in the past were not significant. Since the war there have been some exports of flaxseed and sesame, but not at anticipated levels. The domestic market has been large enough to absorb local production, and prices offered have been much more attractive at home than abroad. Price control in the United States has held prices considerably below those current in Mexico; consequently any exports to this country have meant a lower profit to the Mexican shipper.

The price factor has been important in restricting foreign development plans, also. Although there are other reasons for limiting the success of these programs, the fact that all food prices are high in Mexico has discouraged local growers from expanding crops for export.

Other Oilseed Crops

During the past 2 years, United States interest has been aroused in several varieties of Mexican oilseeds not produced on a commercial basis prior to the war. Chief among these are cacahuanche, garcia nutans, jojoba, and chia.

CACAHUANCHE

Cacahuanche seed produces an oil comparable to that of the Brazilian oiticica. Considering the short supply of tung oil, for which both oiticica and cacahuanche are substitutes, the development of this oilseed crop would be of more than ordinary importance. In 1943 the first production of any size was reported. In that year approximately 1,500,000 pounds of oil moved from southern Oaxaca and Chiapas, the principal producing regions. Trade estimates point to a possible yearly shipment of 5,000,000 pounds. Production at this level would provide some addition to Mexico's domestic supplies, but would not be significant in foreign markets.

GARCIA NUTANS

The kernel of the garcia nutans yields another drying oil. Heavy stands of the

garcia nutans tree are found in various parts of Mexico; northern Veracruz, southern Tamaulipas, Nuevo Leon, and eastern San Luis Potosi, in particular. So far, no expansion has resulted and production is low.

Jojoba

Jojoba, reported to be similar to sperm oil, is used as a lubricant. Systematic collection of jojoba nuts has been handicapped by the fact that the jojoba bush, growing largely in grazing areas, is eaten by livestock.

Chia Seed

Production of chia seed, a substitute for linseed, is not significant, approximately 165,000 pounds annually. Exploitation of chia is not practicable, because of the relatively small quantities found.

Expansion Anticipated

Mexican consumption of fats and oils is currently expected to reach 437,000,000 pounds in 1944, a new high. Disappearance at this level would represent an increase of 14 percent over 1942 consumption, the former record. The present indicated per capita consumption of 20.3 pounds compares favorably with the 1942 peak of 18.5 pounds.

With the output of manufactured products steadily advancing, Mexico's fats-and-oils industry may anticipate years of expansion. During 1943, per capita consumption in the United States amounted to 47.1 pounds for food fats alone, more than twice individual disappearance in Mexico for both edible and inedible uses. Wartime demand for fats and oils in industry resulted in a total United States per capita consumption of 72.9 pounds last year.

Consumption of edible fats and oils in the United States normally responds chiefly to population increases, with a relatively stable per capita consumption. Mexico, however, still has a large untapped market. Development of this market is dependent upon increases in purchasing power and greater industrial activity.

Bankers' Role in Foreign Commerce

(Continued from p. 3)

Government to accept too much responsibility in connection with financing foreign trade. Obviously, the disturbed state of the world following the close of the war will probably make some governmental or intergovernmental aid, in addition to that provided by emergency relief agencies, necessary or at least desirable. But this should not mean that private business should cease to function on its own account wherever possible. Too much continued reliance on Government will eventually mean no private business.

My conviction is that our foreign traders should appraise their individual situations, determine the amount of risk they can properly assume, and then go ahead with business which seems best suited for them to handle.

Stimulate Goods-Exchange

Naturally they, with bankers' help, will want constantly to bear in mind, if they are exporters, that there is such a thing as foreign exchange and the problem of a balance of payments. To fortify their own position and that of the country as a whole, they, like their bankers, will want to be active in seeking to lower the trade barriers which now obstruct the importation of goods into the United States.

It is common knowledge that laws and regulations which prevent goods from entering a country also keep goods from leaving a country. The Atlantic Charter and other pronouncements as well as formal agreements have pledged the United States to give all States access, on equal terms, to the trade of the world. To abide by these will increase the exchange of goods between nations, the standard of living everywhere will be improved, and the cause of world peace will be strengthened.

Official OWI Photo

News by COUNTRIES

(Continued from p. 25)

cal collimaters, compasses, monoculars and binoculars, periscopic goniometers, spectacle frames and lenses have been prohibited exportation from Uruguay by a decree dated July 21, 1944, published in the Diario Oficial of July 29, 1944.

Transport and Communication

Railway Statistics.—Statistics for the railways of Uruguay are not yet complete. The table following gives comparative data for the early months of 1943 and 1944:

Month	Passengers carried		Freight carried		Receipts	
	1943	1944	1943	1944	1943	1944
Privately owned systems:	*Number*	*Number*	*Metric tons*	*Metric tons*	*Pesos*	*Pesos*
January	350,382	366,000	158,880	153,762	1,301,000	1,316,000
February	334,925	375,000	175,717	149,830	1,439,000	1,292,000
March	361,514	381,000	161,211	157,115	1,430,000	1,347,000
April	374,738	431,000	152,084	142,474	1,359,000	1,266,000
May	353,449	401,000	168,776	154,667	1,410,000	1,332,000
Total	1,775,008	1,954,000	816,668	757,848	6,939,000	6,553,000
Government-owned systems:						
January	68,000	76,000	28,250	31,134	126,000	151,000
February	67,000	81,000	31,250	30,843	135,000	152,000
March	62,000	67,000	29,398	31,322	119,000	140,000
April	57,000	73,000	28,695	29,934	107,000	138,000
Total	254,000	297,000	117,593	123,233	487,000	581,000

Traffic in Montevideo.—Statistics for the street railways of Montevideo, Uruguay, for the first half of 1944, show 77,166,237 passengers carried compared with 74,476,223 in the first half of 1943 and 61,163,245 in the corresponding months of 1942. For the entire year 1942, the total was 130,866,399, which increased in 1943 to 149,478,836.

Passengers carried by the omnibus system in Montevideo also show an increase compared with 1943. Passengers carried by omnibus in the city during the first half of the current year were 96,176,589 against 87,778,053 for the corresponding period in 1943 and 89,312,812 in 1942. Total carried for the year 1943 was 177,827,221, compared with 173,066,874 in 1942.

New Airports for Portuguese Africa?

The initial studies of the mission appointed to study the possibilities of the construction of an airport on the island of Sao Thome, Portuguese Africa, are reported by the European press to have been completed.

Much farther south in Portuguese Angola, Luanda is reportedly to be equipped with a large and modern air station, so that travelers for Lisbon, Portugal, may depart from Luanda on one day and be in Lisbon on the following day.

Fisheries of Central America

(Continued from p. 15)

canned fish. Figures available for 1942 show that out of total imports of 173,511 pounds, 165,400 pounds were canned and 8,111 pounds were cured fish. No fresh fish are imported by El Salvador. Major canned import items include mackerel, sardines, and salmon, in the order named. The United States supplied El Salvador with 61 percent of its fish imports in pre-war years, and relatively large quantities came from France and Sweden. In 1942, the United States continued to be El Salvador's major supplier, providing 86 percent of the latter's fish imports. Small quantities came from Canada and other countries.

Low Fish Consumption

The consumption of fish and its importance in the diet of the Salvadorans is negligible. Total annual consumption, estimated on an edible basis, is 662,000 pounds. El Salvador, the most densely populated country in Central America, thus has a per capita fish consumption of only 0.4 pounds, for a population of 1,750,000. The local catch accounts for 53 percent of the supply and 47 percent is derived from imports.

Consumption of fish occurs most frequently during Lent. For this reason, wholesalers and retailers have large stocks on hand during the first 3 months of the year. The U. S. Fishery Mission traces the low fish consumption in El Salvador to the low retail price of meats, rather than to a scarcity of fish. In 1942, El Salvador had four cold-storage plants, all conveniently located to highway and rail transportation.

Nicaragua

Extensive Fishing Areas

Nicaragua, the largest country, in area, in Central America, has extensive coast lines on the Caribbean Sea and on the Pacific. The Caribbean coast, extending for 280 miles in an almost straight north-south line, is Nicaragua's east coast. On the Pacific side, the coast extends for 200 miles from the Gulf of Fonseca to the Costa Rican boundary. On the Caribbean side there are several large rivers—the Coco in the north; Rio Banbana, Rio Prinzapolca, Rio Grande, and Rio Kuringwas in the center; and Rio Siquia, Rio Rama, and Rio San Juan in the south. In addition, lagoons are found along nearly the entire length of the coast. Among the larger lagoons are Wana, Belanona, Sambo, Tuapi, Wawa, Wounta, Pearl, and Bluefields. The two largest bays along this coast line are San Juan del Norte and Bluefields Bay. There are numerous small islands and cays off the coast, the principal ones being the Mosquito Cays in the north and the Pearl Cays in the center.

On the Pacific side, Nicaragua has one large river, the Estero Real, which empties into the Gulf of Fonseca. There are several small rivers and lagoons. Inland, Nicaragua has two large bodies of water—Lake Nicaragua, which is 100 miles long and 45 miles wide, and Lake Managua, 30 miles long and 15 miles wide. There are several inland rivers, the most important being Rio Viejo, which flows into Lake Managua, and several tributaries of coastal rivers. Major ports and coastal centers are Puerto Cabezas, Bluefields, and San Juan del Norte (Greytown), on the Caribbean side; and Puerto Corinto and San Juan del Sur, on the Pacific side. Managua, the capital, is situated on the south shore of Lake Managua.

Estimated Catch

No records are available of the annual fish catch in Nicaragua. The U. S. Fishery Mission estimates the commercial catch at about 300,000 pounds, which, in view of the extensive coastal and inland water areas, is a very small production. The catch for personal use is not known, but, judged by the availability of water areas, it is thought to be fairly large—perhaps as large as the commercial catch. Reasons for this small production may be the sparse population along both coasts, and lack of adequate transportation facilities.

The leading species caught along the Caribbean coast include mullet, tarpon, grunt, anchovies, snook, groupers, snappers, jacks, croaker, sardines, silversides, herring, barracuda, corvina, tuna, kingfish, Spanish mackerel, bonito, sharks, dolphin, ray, wrasse, hind, shrimp, oysters, crabs, spiny lobsters, turtles, and others. On the Pacific coast, major species include mullet, snook, drum, snappers, groupers, threadfin, anchovies, gars, grunt, sea bass, sardines, pompano, jacks, shark, dolphin, flying fish, bonito, Spanish mackerel, tuna, oysters, and crabs. The abundance of each of these species is not known.

Fishermen and Fishing Craft

The number of fishermen regularly employed in commercial fishing in Nicaragua is estimated at less than 100, and the number of fishing craft at less than 75. Most of these fishermen operate along the Pacific coast, chiefly near Corinto and in the Gulf of Fonseca. Along the Caribbean there are few full-time fishermen. Those who follow this occupation also engage in stevedoring and agricultural employment. Fishing craft consist mainly of dugout canoes and small sailboats. Fishing gear is of the simple type—cast nets, small beach seines, hook and line, some fish pots, and harpoons and spears.

Canned and Cured Fish

There is no production of canned fish in Nicaragua, but sufficient quantities of oysters and shrimp are believed to exist in the lagoons to warrant the establishment of a cannery. The production of cured fish is on a small scale, limited to the vicinities of Lake Managua and Lake Nicaragua for personal use or local sale.

Small Imports and No Exports Reported

Nicaragua's imports of fish are among the lowest in Central America. During the years 1937–42, only 110,000 pounds were imported annually. No exports of fish are reported in Nicaraguan trade statistics. Nicaragua is another of the few countries in the area showing larger fish imports in 1942 than the pre-war average, the figures being 106,000 pounds in 1942 and 92,000 pounds as the average for 1937–38. The composition of 1937–42 imports was—canned, 98 percent; cured, 2 percent; fresh, negligible. In 1942, the same proportion existed. Major import items in fishery products are not indicated in Nicaraguan statistics, but in a summary of Nicaraguan food requirements for 1943–44 relatively large quantities of canned sardines, salmon, and shellfish are requested. The United States supplied 74 percent of Nicaraguan fish imports in pre-war years and 99 percent in 1942. The United Kingdom and France were among the large pre-war sources of supply, their combined share amounting to 14 percent.

Consumption Extremely Low

Fish is an insignificant item in the Nicaraguan diet. Consumption of fishery products, estimated on an edible basis, is 261,000 pounds annually, or a per capita consumption of only 0.2 pounds for a population of 1,400,000. This is the lowest in any of the Central American countries. The local catch accounts for approximately 57 percent of the fish products consumed, and 43 percent is derived from imports. Among the factors accounting for the extreme low fish consumption in Nicaragua are the low purchasing power of the population, the high duty imposed on fish imports, and lack of facilities for transporting fresh fish from the coastal areas.

Costa Rica

Fishing Areas

The coast lines of Costa Rica extend along the Pacific Ocean and the Caribbean Sea. On the Pacific side the coast is about 360 miles long, and on the Caribbean side it is about half that length. On the Pacific coast there are several large bays—among them Salinas, Santa Elena, Potrero, Culebra, and the gulfs of Murcielagos, Nicoya, and Dulce. The Caribbean coast has several large lagoons and a number of navigable rivers. Costa Rica is said to have 16 navigable rivers and many small unnavigable rivers and streams. Among the

larger rivers are Tempisque, Diquis, and Esquinas, on the Pacific side; and Sixaola, Chirripo, Reventazon, and Colorado, on the Caribbean side. The major fish-landing ports are Puntarenas, on the Pacific, and Puerto Limon, on the Caribbean. Studies of oceanographic conditions indicate that better possibilities for large-scale fishing exist along the Pacific than along the Caribbean coast.

Fish Catch

Costa Rica's fish catch was estimated by the U. S. Fishery Mission[2] in 1942 at 1,000,000 pounds annually. A substantial part of the Pacific catch is brought by railway to San Jose, the capital, but the Caribbean catch is believed to be consumed, in the main, locally. The Ferrocarril al Pacifico (Pacific Railway), the only carrier of fresh fish from Puntarenas to San Jose, reports transportation of such fish as follows: 1940, 531,873 pounds; 1941, 500,640; 1942, 441,041; average, 491,185.

Taking into account the smaller quantities of the catch remaining in both coastal areas for local consumption and the catch from rivers and lagoons, the estimate of the U. S. Mission is considered to be accurate.

Fish species of Costa Rican coastal waters fall into three distinct types—(1) Offshore waters abound in pelagic fisheries; that is, those living a floating existence near the surface, such as tuna, swordfish, marlin, dolphin, and flying fish. Possibly mackerel, barracuda, kingfish, and others may be caught offshore. (2) Inshore, species found in great numbers include sea bass, pompanos, jacks, Spanish mackerel, and roosterfish. (3) In brackish waters and in the lagoons, snooks, groupers, grunt, mullet, snappers, catfish, tarpon, threadfins, mojarra, croakers, and anchovies are found. In addition, shrimp, oysters, and spiny lobsters are caught in small numbers in various areas. Puerto Limon is the center for extensive turtle fishing and some shark fishing has been carried on near the estuary of the Rio Colorado.

Fishermen and Fishing Craft

The number of fishermen employed full time in Costa Rican fisheries was estimated by the U. S. Mission at 150. In some coastal areas, fishing is practiced as a part-time, subsidiary occupation by farmers and dock workers. Living conditions of all fishermen are precarious. Better than others, however, is the condition of the Pacific-coast fisherman engaged in supplying fresh fish to the interior, where a limited trade and demand have developed. No organization of fishermen is known to exist, although an informal agreement involving the amount of fish landed and prices charged is reported to be in operation among fishermen in certain areas. The number of fishing craft is reputed to be about 100, most of them being small sailboats, dugout canoes, and other simple types. Fishing gear in use is also of the simplest type, mainly hook and line gear. Nets and fish pots are used to a limited extent.

In 1938 Americans and Japanese started to fish in Costa Rican waters. The Japanese registered a fishing boat, the *Amano*, flying the Costa Rican flag and operating out of Puntarenas. On December 7, 1941, following the attack on Pearl Harbor, the Costa Rican Government seized the boat and later chartered it to the Pacific Refrigeration Co. In the early part of 1943, it was sunk. Fishing vessels from the United States operated off Costa Rica's Pacific coast where they were primarily interested in tuna and shark catches. Some of these vessels were based at Puntarenas delivering their tuna catch to the freezing plant there for processing and shipment to the United States. The fishermen employed were from the United States, and the vessels were of United States registry.

Canned and Cured Fish

There is only one small cannery in Costa Rica, located at Puntarenas and operated in conjunction with the freezing plant of the Pacific Refrigeration Co. It cans a limited pack of tuna, which is sold in local markets, and has an annual productive capacity estimated at 8,000 to 10,000 cases under favorable conditions, or about 200,000 pounds. Production of cured fish is nonexistent, except for air-drying of small quantities in some localities.

The freezing plant at Puntarenas, one of the largest in Central America, was established in 1936, with the aid of United States capital, for the purpose of freezing and storing tuna for export to canneries in California. Since the plant exports its entire tuna catch, which in 1939 reached 10,000,000 pounds, it cannot be regarded as the production of Costa Rican fishermen in Costa Rican vessels financed by Costa Rican capital for local use, and has, therefore, been eliminated from the over-all picture of Costa Rican fishery supplies.

Foreign Trade

Costa Rica's average fish imports for the period 1937–42 were 1,258,000 pounds annually. Pre-war 1937–38 imports of 1,374,000 pounds of fish declined in 1942 to 842,000 pounds, chiefly because of a sharp decrease in imports of cured fish and smaller imports of canned fish. Approximately two-thirds of all fish imports consist of canned fish, mainly sardines and smaller quantities of salmon. Of the remainder—almost all dry-salted fish—codfish is the major item, accounting for 30 percent of all fish imports. Pre-war statistics for Costa Rican fish imports by country of origin are not available. It is known that the bulk of the codfish came from Norway and Canada. In 1942, the major source was the United States, which supplied Costa Rica with 89 percent of its total fish imports, and Canada accounted for nearly all of the remaining imports.

During recent years, Costa Rica has developed a large export trade in live turtles with the United States. Prior to 1942, the quantity of turtles exported averaged about 300,000 pounds annually, but in 1942 only 11,000 pounds are recorded. The reasons for the decline were: War conditions affecting the area, the smaller catch, and the generally tight shipping situation. On the basis of Costa Rica's average imports and exports over a period of years, its deficit (or net imports) amount to about 1,000,000 pounds of fish annually.

Consumption

Fish is not a major item in the Costa Rican diet. The annual consumption of fish, estimated on an edible basis, is 1,869,000 pounds. This is made up of the normal catch plus the average net imports for the years 1937–42. The per capita consumption, estimated on the same basis, for a population of about 635,000, is 2.9 pounds. It was felt by local authorities that no serious dislocation of food supplies would result if imports of fish were curtailed drastically, except during Lent when an estimated 80 percent of the year's fish supplies are consumed.

Government Supervision of Fisheries

The Costa Rican Government is actively interested in the development of its fishery resources, particularly along the Pacific coast, which has been fairly well explored. Early in 1943 the Government was considering the establishment of a large-scale fishery in Puntarenas for the transportation of fish to inland towns for direct sale to consumers at cost price. The main purpose behind this project was to reduce imports of dry-salted fish by making available fresh-frozen fish. The idea of a fishery was later abandoned. Instead, in June 1943, the Government entered into a contract with the Pacific Refrigeration Co. whereby the company agreed to deliver all surplus fish caught by its fleet to the Government-operated Pacific Railway (Ferrocarril al Pacifico) for transportation at low rates to San Jose and other towns. It is expected that an arrangement of this sort will have an important effect on the food situation, particularly with respect to the poorer classes.

On July 30, 1943, the Government took a further step toward the development of the fishing industry. A law passed on that date authorized the issuance of $400,000 in short-term bonds, the proceeds of which will be used exclusively for the establishment of a national fishing industry and the construction of plants for preparing and processing fish products. Part of the money will be used to establish a National Fishery to be located at El Coral, near Puntarenas. By the end of September 1943, however, these plans existed only on paper, and no definite steps had been taken for developing the fisheries.

Panama

Extensive Fishing Areas

Panama has extensive coast lines, totaling about 1,250 miles, on the Caribbean Sea and the Pacific Ocean. The Caribbean coast, some 480 miles long, extends from the Costa Rican border to the Gulf of Darien, on the Colombian

[2] Members of the Mission were: Reginald H. Fiedler, Fishery Economist and Chief of the Mission; Milton J. Lobell, Fishery Engineer; and Clarence R. Lucas, Fishery Economist—all of whom at that time were on the staff of the U. S. Fish and Wildlife Service, Department of the Interior.

border. The Pacific coast is 770 miles long, from the Costa Rican border to Cocalito Point near the Colombian border. There are several deep indentations on the Caribbean side—among them, Almirante Bay and Chiriqui Lagoon in the west and the Gulf of San Blas in the east. Limon Bay is in the Canal Zone area. There are several islands in the vicinity of Chiriqui Lagoon, numerous cays in the area of the Gulf of San Blas, and many small rivers along the coast.

On the Pacific side are the Bay of Charco Azul, the Gulf of Chiriqui, Honda Bay, and the Gulf of Montijo—all in the western part. The eastern part is nearly all within the Gulf of Panama, itself a deep indentation of almost 100 miles. Within the Gulf of Panama are the Gulf of Parita, Chame Bay, Bay of Panama, the Gulf of San Miguel, and the Bay of Pinas. The coast is dotted with many islands, the largest of which are: Coiba, Cebaco del Rey, San Jose, and Parida. The Pacific coast has several rivers including the Chiriqui, Santa Lucia, San Pedro, San Fablo, Chepo, Sabana, Chucunaque, and Tuyra. Major ports and coastal centers are: Boca del Toro, Almirante, Chiriqui Grande, Colon, Cristobal, and Mandinga, on the Caribbean side; and Puerto Armuelles, Puerto Nuevo, Panama City, Balboa, Chiman, and La Palma, on the Pacific side.

Fishing Industry Undeveloped

The estimated fish catch of Panama has varied between 1,500,000 and 4,000,000 pounds annually, the smaller production being the trend in recent years. The decline is attributed to the following factors: Withdrawal of fishing permits to 24 Japanese fishermen, who operated prior to 1936 in the Bay of Panama; lack of adequate fishing gear; restrictions on boat operations; and general war conditions affecting the vicinity of the Panama Canal. The average annual catch in the period 1937–42 is estimated at about 2,000,000 pounds. The Pacific coast is believed to provide more profitable fisheries than are found on the Caribbean side. Little is known about the Caribbean coast, which is sparsely populated and lacks transportation facilities.

Some 403 different species of fish have been caught on the Pacific side and 238 on the Caribbean. Those caught in more abundant numbers are corbina, drum, snappers, snook, sierra, Spanish mackerel, mullet, jacks, groupers, and others. In certain seasons shrimp and crayfish are plentiful in Panama Bay. Other species caught regularly include sharks, tuna, anchovies, grunts, spiny lobsters, and various shellfish. Panamanian waters, particularly along the Pacific coast, may be regarded as ideal fishing grounds for commercially important fish species. Notwithstanding these potential resources, the fishing industry remains commercially undeveloped and unimportant in the economy of the country.

Fishermen and Fishing Craft

The number of full-time fishermen is reported by the U. S. Fishery Mission as 529. This is based on the number of licenses issued by the Government and shows a decline since 1935 when 716 were operating in the Bay of Panama alone. The number of those employed in part-time fishing is not known. Since the earnings are very low and competition for labor is great, the ranks of fishermen have thinned in recent years. The number of boats is 214, of which 29 are small motorboats, about 150 small sailboats, and the remainder consists of dugout canoes and other types. Fishing gear used most extensively include: cast nets, hook and line, haul seines, weirs, and some fish pots.

Imports and Exports

For the years 1937–42, Panama averaged 2,510,000 pounds of imported fishery products annually, whereas exports were only about 1,000 pounds. Prewar annual imports amounting to 2,819,000 pounds declined to 1,604,000 pounds in 1942, or 57 percent of the 1937–38 average. The decline was attributed to curtailment of cured-fish imports, particularly in 1942 when only 363,000 pounds were imported, compared with pre-war imports of 1,500,000 pounds. For the entire 6-year period fish imports were comprised as follows: Cured, 47 percent; canned, 53 percent. In 1942, the proportion changed to: Cured, 23 percent; canned, 77 percent.

Leading import items are canned sardines, canned salmon, dry-salted codfish, and dried shrimp. Canned sardines amounted to 40 percent of all fish imports; codfish, 36 percent; canned salmon, 12 percent; dried shrimp, 4 percent; all others, 8 percent. About 63 percent of pre-war imports came from the United States. Japan, Canada, the United Kingdom, and Norway also supplied considerable quantities. In 1942 the United States supplied 83 percent of Panama's fish imports, with nearly all the rest coming from Canada.

Consumption

Fish is a fairly important item in the Panamanian diet. Consumption of fishery products, estimated on an edible basis, is 4,096,000 pounds annually, or 6.5 pounds per capita for a population of 630,000. This is the highest per capita consumption of fish in Central America, excluding the Caribbean area. The local catch accounts for one-fourth of the fish supply, and three-fourths are derived from imports. Thus, there exists an anomalous situation in that the coasts of Panama are among the world's richer fishing beds, yet only one-fourth of the country's fish supply is derived from this great potential resource. Both Panama and the Canal Zone are lucrative markets for fresh fish, with the demand generally exceeding the supply. About half of the normal imports of canned and cured fish are used in the interior where fresh fish is scarce and refrigeration facilities are not available. There is no production of canned or cured fish in Panama, though possibilities for canning and salting fishery products exist.

Government Supervision of Fisheries

In recent years, the Government of Panama has shown extreme interest in the development of its fishery resources. Members of the U. S. Fishery Mission have prepared a plan for development of Panama's fisheries which has been given serious consideration by the Government of Panama. The Mission is of the opinion that Panama's catch can be increased to 10,000,000 pounds annually, of which 7,200,000 pounds could be marketed locally and the remainder exported to nearby countries. As a result of the war, stringent regulations have been imposed on local fishermen by military authorities, which makes it impossible for the time being to put the plan into operation.

Summary

Because of the drastic curtailment of imports from abroad during the war years, attempts are currently being made in some of the Central American countries to develop fishery resources and to organize or expand local fishing industries. Some progress has been made, but the factors hindering fishery developments are many. There is a general shortage of all types of fishing gear, especially wire, twine, hooks, rope, sail canvas, and hand lines. The number of boats is inadequate and the motorboats are in need of repair. In addition, operations are curtailed by the shortage of gasoline and fuel oils.

Refrigeration and storage facilities needed by the fishing industry are available only to a very limited extent. As a result, there is spoilage and in many instances a smaller catch.

Finally, during the war years there has been a decline in the number of fishermen, many of whom have gone into more remunerative occupations.

During the early war years imports from Axis territory were drastically curtailed, and since 1941 have been completely eliminated. In pre-war years, a sizable amount of fish imports came from countries which are now under Axis domination. The elimination of this source, plus curtailment of food exports from Allied and neutral countries, and the aggravated shipping situation in 1942 and 1943, created a scarcity of fish supplies throughout the Central American and Caribbean areas.

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